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**WORLD NEWS**  
**Libya ready to release two Britons**

Libya is ready to free two of the six Britons held there—apparently as hostages for five—Libyans awaiting trial in the UK—as a gesture of goodwill, a senior official told four visiting Labour MPs, writes Richard Johns.

Foreign Affairs Committee member Ali Houdairi asked the visitors, led by Leith MP Ron Brown, to delay their departure and take the detainees with them, but the MPs said they had to return for business to Britain.

They later said the detainees would return to Britain this weekend.

**Austrian reshuffle due**  
The Austrian cabinet is expected to be reshuffled on Monday, in an attempt to revive the government's popularity. Page 2

**Sikhs gather for rally**  
More than 25,000 Sikhs eluded an Indian police cordon around their holy city, Amritsar, to attend a banned rally tomorrow.

**Wales lays wreath**  
On the fourth anniversary of Solidarity's birth, Leeb Wales, leader of the hanged Polish union, laid a wreath at a Gdansk monument to strikers killed by police.

**Sunken ship safe**  
Tests showed no trace of radioactivity on the French freighter *Bion*, which sank off Belgium last week clearing the way for salvage of its nuclear cargo.

**Optimistic Alliance**  
Liberal and SDP leaders said there was a good chance they would hold the balance of power in the GLC after this month's four by-elections. Page 3

**Tourist murdered**  
Londoner Linda Bradley, 25, was stabbed to death by three handbag thieves in Torre Molinos, Spain. Her companion was recovering in hospital.

**Hijacker goes free**  
A Hong Kong man who hijacked a British Airways jet to Taiwan to protest against communism was given a suspended jail sentence by a Taipei court.

**Kabul airport blast**  
Several women and children died in a bomb blast at Kabul airport. Afghan officials blamed Moslem guerrillas.

**S. African shootings**  
Three black youths were shot dead in townships near Johannesburg during civil unrest, two of them by policemen.

**Philippines rainstorm**  
Heavy rain left 37 dead in the Philippines. Tunnels in a southern goldmine collapsed, leaving another 30 men trapped.

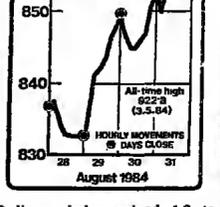
**Vanished village**  
Villagers will be allowed into Imber, Wilts., today for its annual church service. The army took the village over in 1945, knocking down everything but the church, and still uses the area for training.

**Financial Times**  
We apologise for any typographical errors in this edition caused by production difficulties in the reading department.

**BUSINESS SUMMARY**  
**Hongkong Bank to buy James Capel**

JAMES CAPEL, stockbroker, is to become an autonomous unit of the Hongkong and Shanghai Banking Corporation. Initially, the Hongkong Bank is buying a 29.9 per cent stake in Capel, the maximum permitted by Stock Exchange rules. It will later raise its interest to 100 per cent with payment phased over five years.

No terms are being disclosed, but the price is said to be in line with comparable recent City deals. Back Page



Ordinary index gained 1.2 to 853.7, making a three-day rise of 21.3, and its highest closing level since May 22. Page 18

**ARGENTINA'S** government proposed a package of short-term measures aimed at cutting inflation from its near-700 per cent annual rate, although a Peronist union call for a 24-hour general strike has already threatened the strategy. Page 2

**CANADA** threatened to retaliate against U.S. exports if the Reagan Administration refused to exempt Canadian producers from steel import quotas proposed by the U.S. International Trade Commission. Back Page

**LUCAS INDUSTRIES** warned 2,100 employees at its Shaftmoor Lane plant, Birmingham, that unless they accept company plans to improve efficiency through new working practices the factory will be closed. Page 3

**ZANUSSI**: A five-hour meeting between the foreign bankers to the troubled Italian appliance maker concerning its proposed merger with Electrolux of Sweden ended without result. The London talks are expected to resume next week.

**CAR SALES** for August are expected to total just under 300,000, compared with last year's record 374,000, disappointing manufacturers. Page 3

**NEW YORK PUBLIC SERVICE** Commission approved an agreement providing the Long Island Lighting Company with emergency financing of \$150m (£114.6m), enabling it to pay \$90m in bonds maturing today. Page 15

**HUTCHISON WEAEMPOA**, Hong Kong-based trading group, reported unaudited net profits for the half-year to June 30 ahead by 40 per cent at HK\$666m (£59m). Page 15

**CHEMICAL METHODS**, California-based dishwasher maker quoted on the USM, returned to the black with pre-tax profits of \$125,000 (£97,000), against a \$284,000 loss in the second half of last year. Page 14

# Miners agree to give TUC a role in dispute

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE TUC general council and the National Union of Mineworkers' leadership yesterday provisionally agreed a statement giving the TUC a role in the 25-week-old mining dispute for the first time and setting defined limits on what the NUM can expect from other unions.

TUC leaders were last night rejoicing that "the miners have come in from the cold," and some forecast that the move marked the beginning of the end of the strike.

The statement is made up of three carefully balanced elements on which union leaders were putting widely differing emphases yesterday.

It affirms "total support" for the NUM's objective of saving "jobs, pits, and mining communities," pledges a concerted campaign to raise cash for the union and aims to make the dispute "more effective" by barring the movement of coal, coke, or of oil substitution for coal or coke, across official NUM picket lines.

However, the statement goes on to say that the NUM should be directly concerned.

# BSC to oppose any Ravenscraig limits

BY BRIAN GROOM, LABOUR STAFF

THE British Steel Corporation is preparing to oppose any attempt by the unions to restrict coal supplies to its Ravenscraig steelworks in Scotland as a way of ending the week-old national dock strike.

This emerged last night as Mr Moss Evans, general secretary of the Transport and General Workers Union, said he would be prepared to enter fresh talks with BSC to agree on a coal quota for the plant.

BSC is likely to oppose any quota, whether proposed in direct negotiations or agreed in a behind-the-scenes deal.

Some sections of the ISTC believe that it would be possible to limit coal supplies to Ravenscraig safely, but the union's blast-furnacemen at the plant are understood to have argued that 18,000 tonnes would be insufficient to prevent damage.

Supplies were limited to this level for three weeks in April, but the BSC said serious problems were encountered. At one stage explosives had to be used to remove an accretion of iron ore and coke which had hardened because one of the furnaces was not being run at a steady rate.

The BSC also appears to feel that a limit would be vulnerable to changes of mind by the unions. In April, unions halved the 18,000 tonnes because miners thought that Ravenscraig was doing too well.

# Acceleration in jobless increase confirmed

By Philip Stephens

AN ACCELERATION in the upward trend in Britain's unemployment rate was confirmed in August with a rise of 15,200 in the adult jobless total during the month.

The August increase, which changed from July, lifted the seasonally-adjusted figure to 3,071m, or 12.8 per cent of the working population, the Department of Employment said yesterday.

The unadjusted total, which includes school-leavers, rose by 15,400 to 3,110m. A further 160,000 young people, not yet eligible to claim benefits, and therefore not included in the figure, were also seeking work.

Taken together, the rise in July and August points to a slightly faster rate of growth of unemployment following an apparent slowdown in the previous three months.

In the quarter to August the seasonally-adjusted figure fell by a monthly average of over 12,000, compared with an average of about 8,000 in the three months to May.

Mr Tom King, the Employment Secretary, said the figures underlined the "urgency" of present steps to "which underpin the competitiveness of our industry and put jobs at risk."

Continued on Back Page Regional details, Page 3

# Peres and Shamir close to deal

BY OUR TEL AVIV CORRESPONDENT

MR SHIMON PERES, leader of Israel's Labour Party, and Mr Yitzhak Shamir, the caretaker premier, yesterday said they were close to agreement on forming a coalition government of national unity in which they will apparently take turns to be Prime Minister.

After six weeks of political deadlock, the heads of the two parliamentary blocs said they had agreed to complete negotiations on Sunday night.

Mr Shamir, who is leader of the right-wing Likud bloc, and Mr Peres refused to disclose details of the proposed pact following a fifth round of negotiations.

Both played down local press reports that an agreement was already in the bag and clearly several stumbling blocks remain. Mr Shamir, for example, still has to sell the package to sceptics in his party and there is disagreement over which party should hold the defence portfolio.

# THATCHER WILL NOT INTERVENE

strike will be resolved simply by more people returning to work.

Mrs Thatcher deeply regretted the violence and intimidation, but argued that the Government's Employment Acts were proving effective.

Mr Peter Heathfield, the NUM general secretary, hailed it as a positive move committing the TUC to active support for the miners. Mr Moss Evans, the general secretary of the Transport and General Workers' Union, said it would "strengthen the resolve" of unions in support of the miners.

Mr John Lyons, general secretary of the BSC, said the corporation would deliver real support.

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**MARKETS**

<b>DOLLAR</b>	<b>STERLING</b>
New York lunchtime: DM 2.589	New York lunchtime: \$1.3075
DM 2.589	London: \$1.3085 (1.311)
FFr 8.8675	DM 3.7775 (3.785)
SWFr 2.4095	SWFr 3.15 (3.1475)
Y241.9	FFr 11.6825 (11.608)
London: DM 2.589 (2.5845)	Y316.25 (same)
FFr 8.8645 (8.8535)	Trade weighted 78.1 (78.2)
SWFr 2.41 (2.404)	<b>LONDON MONEY</b>
Y241.55 (241.2)	3-month interbank:
Trade weighted 136.5 (same)	mid rate 10 1/4 (same)
Tokyo close Y241.7	3-month eligible bills:
<b>U.S. LUNCHTIME RATES</b>	buying rate 10 1/4 (10 7/8)
Fed Funds 11 1/2 %	<b>STOCK INDICES</b>
3-month Treasury Bills:	FT Ind Ord 853.7 (+1.2)
10.6 %	FT-A All Share 320.47 (+0.3 %)
Long Bond: 99 1/8	FT-SE 100 1,103.9 (+2)
Yield: 12.51	FT-A long gilt yield index:
<b>GOLD</b>	High coupon 10.57 (10.58)
New York: Comex Sept latest	New York lunchtime:
\$347.5	DJ Ind Av 1,217.31 (-5.97)
London: \$348 (\$348.5)	Tokyo:
Chief price changes yesterday. Back Page	Nikkei Dow 10,554.2 (-2.07)

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# Austrian Cabinet reshuffle expected to strengthen Right

BY PATRICK BLUM IN VIENNA

THE AUSTRIAN Cabinet is expected to be reshuffled on Monday in a move designed to halt the sharp decline in the government's popularity. The reshuffle is also expected to strengthen the right's position in the government and the Socialist Party.

Dr Fred Sinowatz, who heads the coalition government with the Liberals, said yesterday that he would be putting forward proposals for a reshuffle at a specially convened Socialist Party executive meeting on Monday morning.

He gave no details of what changes he would be pressing for but these would seem to concern only the Socialist Ministers. The three Liberal Ministers, including Dr Norbert Steger, Liberal Party leader and vice chancellor and Minister for Trade and Industry, are expected to remain in their posts.

Dr Herbert Salcher, the Finance Minister, and Herr Erwin Lenc, Minister for Foreign Affairs, are thought the most likely to lose their positions.

Dr Salcher, a close associate of Dr Bruno Kreisky, former chancellor and party leader has long been the target of

criticisms from the right of the Socialist Party and from the financial establishment. Among his most likely successors is Dr Franz Vranitzky, the young and ambitious general director of the Oesterreichische Länderbank. His appointment would be most favoured by the banking community whose relations with Dr Salcher have at times been strained.

Dr Vranitzky is also close to Dr Hannes Androsch, the former Finance Minister and now general director of the Creditanstalt Bankverein, Austria's largest bank. Dr Androsch has been at the centre of a political dispute with the Finance Minister for several months and Dr Salcher's removal would considerably strengthen his own and his supporters' position within the party.

Herr Lenc is regarded by some sections of the party as too left wing. He has recently spoken in defence of Dr Salcher over the latter's dispute with Dr Androsch. His possible replacement is Herr Peter Jankowitsch, Socialist Party international secretary.

Other changes may concern Herr Karl Lauscher, Transport Minister, and Fran Efriede Karl, Minister for Family Affairs.

# Brazil debt 'set to stay at around \$100bn'

By Andrew Whitley in Rio de Janeiro

BRAZIL IS not considering reducing the size of its \$100bn (\$76.3bn) external debt. Sr Ernane Galves, its Finance Minister, said casually on Thursday in Sao Paulo. He went on to add that in the conversations held with bank creditors to date, the only question at issue had been that of service for the debt.

As the Finance Minister said, there were only two roads whereby this servicing requirement is likely to reach \$11.5bn this year in Brazil's case—could be met. These were reduced interest rates or higher exports.

Sr Galves was wrapping up a two-day international symposium on Alternatives to Restructuring of the World Economy, inevitably dominated by the Latin American debt issue.

The conference was surprisingly up-beat, considering that the region's external debt, currently around \$350bn, continues to grow. It also produced an unusual degree of unanimity among the participants in identifying the major obstacles ahead and policy proposals to overcome them.

The U.S. Government's budget deficit was the chief villain in the dock at the Sao Paulo conference.

Mr Fred Bergsten, the former U.S. Deputy Treasury Secretary, was also adamant on the need for the U.S. Congress to make large cuts in the deficit if the recovery were not to be checked off—with serious consequences for debtor countries' adjustment efforts.

Mr Bergsten, now Director of the Washington-based Institute for International Economics, argued that a strong trend towards improved creditworthiness in the medium term was underway among the major debtor countries, and should not be prejudiced.

He forecast that for the 19 largest debtors—accounting for three quarters of all debt owed to foreign banks by developing and East European countries—the ratio of net debt to exports should decline from 196 per cent in 1983 to 144 per cent in 1987.

# Reagan wins support of Teamsters

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan has won the support of the country's largest trade union, the 1.5m-member International Brotherhood of Teamsters, which officially endorsed the Reagan-Bush ticket for November's U.S. elections on Thursday night.

The Teamsters' welcome endorsement, however, came as the White House faced further evidence that the country's 12m registered black voters plan to vote massively for Mr Walter Mondale, the Democratic nominee, an attack Mr Mondale is planning an assault on Mr Reagan's budget deficit.

Support from the Teamsters, who members work predominantly in the trucking industry, is highly prized by the Reagan campaign as a demonstration that organised labour is not 100 per cent behind Mr Mon-

dale. The Teamsters' union, however, which also endorsed Mr Reagan in 1980, is the only major labour organisation in the Republican camp.

A Gallup poll published yesterday by the Washington-based Joint Centre for Political Studies suggested that 83 per cent of blacks would vote for Mr Mondale in November, against 5 per cent for Mr Reagan and the rest undecided.

The poll also, however, contained bad news for the Democrats. It showed a majority of 57 to 37 per cent among whites for Mr Reagan and suggested that the Rev Jesse Jackson's unsuccessful bid for the Democratic nomination may be creating something of a white backlash.

Of the black respondents, 65 per cent said Mr Jackson's campaign made them more likely to vote in November and

56 per cent said his endorsement of the Mondale-Ferraro ticket made them more likely to vote Democrat. Among whites in general, 10 per cent said they were more likely to vote Democrat because of Mr Jackson, but 17 per cent said they were less likely to do so.

In the South, which will be crucial for Mr Mondale's chances, 19 per cent of whites said they were less likely, and only 8 per cent more likely, to vote for Mr Mondale because of Mr Jackson's activities.

Meanwhile, at his Minnesota home, Mr Mondale continued writing on the details of a four-year budget plan that he is expected to release in about two weeks. Members of the Democratic business council, who met Mr Mondale on Thursday, came away believing that he would propose setting aside

all revenues from the new taxes he has said he will impose in a kind of trust fund devoted solely to reducing the budget deficit.

Mr Mondale's staff said later, however, that this was only one option under consideration: One aim would be to counter criticism from Mr Reagan and other Republicans that the Mondale tax increases would simply be used to fund additional government spending.

In initial tax proposals in January, Mr Mondale said he planned to have the deficit over four years, but at last month's party convention in San Francisco he raised his target to a two-thirds reduction. The independent Congressional Budget Office has estimated that the deficit will reach \$263bn by 1989, although the Reagan administration insists that it will hew well under \$150bn.

# Political refugees retreat to the hills

By John Elliott in Nandi Hills near Bangalore

ABOUT 130 political refugees from the allegedly corrupt pressures of Indian politics are hiding out in a secluded former British hill station, 1,800 ft above the rocky plains of the southern state of Karnataka.

Guarded by 40 local political activists and 50 uniformed and plain-clothes police, the supporters of deposed Chief Minister of Andhra Pradesh Mr N. T. Rama Rao have been living for four or five days in the faded hut still dignified surroundings of Cubbon House and other guest houses in Nandi Hills after tracking the length of India for nearly two weeks by plane, train and coach to Delhi, and back to the south.

Nandi Hills was built in the mid-1800s by Sir Mark Cubbon, a famous British administrator of the state of Mysore, as a select and cool retreat nearly 5,000 ft above sea level for top administrators and army officials from the city of Mysore and the nearby army town of Bangalore.

The supporters of Mr Rama Rao, a former film star, are members of the Andhra legislative assembly. They say they fear that if they go home they will be harassed and bribed to cross over into the camp of Mr Bhaskara Rao, the new Chief Minister appointed two weeks ago in a political coup that has plunged India's Congress I Government into controversy.

Mr Reddy Sanyararayan, one of the members, says he was telephoned a few days ago and told a relative was ill. When he rang the relative he was given a message that he could be the chairmanship of a state corporation plus a gift of rupees five lakhs (about \$33,000) if he crossed over.

Another example of corruption came from Mr S. Preabhakar Rao, who said he had been offered Rs 30,000 (about £2,000) to vote for Congress I in the recent elections to the Rajya Sabha upper house in New Delhi.

"We are all voluntarily living together and there is no indication of any of us wanting to leave and switch over to Bhaskara Rao," claimed Mr Ashok Gujapathi Rajve, another member.

This was an answer to allegations made by Mrs Indira Gandhi, Indian Prime Minister, and her political supporters that the 130 have been hijacked by Mr Rama Rao and are being kept as "hostages" in virtual detention "to prevent them exercising their democratic rights to decide which of the rival chief ministers to support. Her supporters say the Andhra assembly should not be called until the members have been "freed" to return to their constituencies. But the members in Nandi Hills say they will not return until just before the assembly meets.

I was at the Nandi Hills retreat decorated with photographs of Queen Elizabeth II who visited it in 1961—when they arrived late on Wednesday night from Mysore after a day's sightseeing. As they hungrily ate finger-falls of curry and found their beds in hastily arranged crowded dormitories, there was no sign of the frustration bitterness and tension that would be apparent if they were being kept by force. Plain-clothes police and the local political activists mingled with the unlikely nomads who had suddenly decided not to return home to Andhra when they were in Delhi 10 days ago.

In Nandi Hills any member who wants to leave, or any Congress I or Bhaskara Rao activists who want to get in, may find it difficult. The road up the steep hill—which rises sharply to the 1,800 ft—passes through two narrow guarded gates. The guards include members of Karnataka state's special branch,

# West German court halts start up of power station

BY JAMES BUCHAN IN BONN

A BRUNSWICK court yesterday reopened a box of coalition troubles for Chancellor Helmut Kohl when it granted an injunction against Monday's planned commissioning of a controversial coal-fired power station at Busehhaus in Lower Saxony.

The court judgement, greeted with glee and relief by opposition Social Democrats and Greens in Bonn and Lower Saxony, slices through a laborious compromise forged by their coalition partners at the end of July.

The licence issued by the Lower Saxony government for the 350 MW power station to open, despite its heavy emissions of sulphur, was bought at

the cost of a noisy squabble in Bonn with the junior coalition partner, the Free Democrats, and the first emergency Bundestag debate during the recess for six years.

However, the court decided yesterday that there must be a public hearing because the Lower Saxony government had diverged from the original building licence it had granted the operating utility which foresaw the closure of a nearby power station so as to reduce emissions. Lower Saxony said yesterday it would appeal.

A new edition of that row over Busehhaus would be most unwelcome to Herr Kohl, who returned from holiday this week vowing to bring order to his

# Strike threatens Alfonsin plan

BY OUR BUENOS AIRES CORRESPONDENT

PRESIDENT Raul Alfonsin's beleaguered Government has proposed a package of short-term measures to try to bring down an inflation rate that is nearing 700 per cent annually. But a 24 hour general strike by the powerful Peronist union may torpedo the plan even before it is launched.

The General Confederation of Labour (CGT), which controls the overwhelmingly Peronist union movement, was going ahead yesterday with preparations for Monday's protest strike, although the Catholic Church and a group of independent senators were

mediating to avert the stoppage. On Thursday, the CGT refused to participate in a highly-touted "concertation" meeting in which Interior Minister Antonio Troccoli announced the anti-inflationary proposals to business leaders.

The Government's plan would set a limit of 16 per cent on wage, price and public utility increases for September and gradual reductions of those limits for the rest of the year. The keystone of the Government's plan is a socioeconomic "concertation". It has been trying to negotiate

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# Libyans approve Morocco link

BY RICHARD JOHNS IN TRIPOLI

LIBYANS yesterday declared themselves in favour of the union with Morocco agreed upon by Col Muammar Gaddafi and King Hassan nearly three weeks ago.

The required Libyan referendum took the form of a unanimous vote by the General People's Congress, theoretically the country's ultimate authority. The Congress is made up of representatives of 1,247 basic committees spread around the country.

At yesterday morning's special session there was, as expected, no show of dissent.

Thus Col Gaddafi will be able to announce today at the celebrations of the 15th anniversary of his revolution the formation of a union between his radical state and the conservative Moroccan monarchy.

The treaty envisages a loose confederate arrangement. Under it, each leader will head the union in turn for a two-year period, although it was not yet clear who will be the first. A "Morocco's friends" in the West, at least, the most contentious aspect of the treaty relates to the provisions for joint security arrangements whereby

an attack on one country would be treated as an assault on the other.

That could, in theory, for instance, bring Morocco into conflict with France over Chad, where Libyan forces occupy the Aouzou strip in the north of the country, or the U.S. in the event of an American-Libyan clash in the Gulf of Sirte.

Implicitly, Libya must now fully renounce Morocco's reign over the Western Sahara, where King Hassan's troops have been engaged in a war with the Polisario Front, which is backed by Algeria.

# Discovery helps revive faith in U.S. shuttle

By Paul Taylor in New York

THE U.S. SHUTTLE Discovery will today deploy the third and last satellite on its current six-day mission. The Discovery's maiden voyage has already helped revive commercial faith in the space vehicle following the successful launch of two communications satellites earlier this week.

On Thursday, Discovery, orbiting the earth 184 miles up, sent a satellite business systems (SBS) communications satellite into high orbit 22,300 miles above the earth and yesterday the shuttle's crew members successfully launched a military satellite out of Discovery's cargo bay doors.

The satellite launches were seen as particularly crucial to the future of the U.S. National Aeronautics and Space Administration (Nasa) shuttle programme. Last February, two satellites were lost after rockets used to boost them into high orbit failed, and Discovery's mission itself appeared dogged by delays and technical problems until its launch from Cape Canaveral on Thursday morning.

Today Discovery is due to launch Telstar-3, an American Telephone and Telegraph (AT&T) communications satellite which will be used for the transmission of business data and television. This launch will complete Discovery's heavy commercial responsibilities.

Discovery's heavy commercial responsibilities.

# Tom Burns in Madrid on the background to what may be the last 'futbol derbi' for a while

# Spanish soccer becomes a political football

TOUTS will be expected, and getting, the equivalent of at least £100 for a £10 stand ticket at Madrid's Santiago Bernabeu stadium tomorrow on the opening day of Spain's first division soccer championship.

The ticket touts are fortunate that the opening match at "El Bernabeu" pits home side Real Madrid against its mighty and eternal rivals Barcelona F.C. The combination makes a sell-out 90,000-plus crowd as certain as rice in a paella. That's just as well for the touts, because tomorrow's futbol derbi could be the last on a Spanish soccer ground for some time to come.

Next week Spain's professional football players are almost certain to call a strike. The stars of Spanish football are furious about being pursued by the taxman.

But the player militancy is only one element in what is accurately being dubbed a uniquely chaotic start to a season. Even if the stars cheerfully agree to play for free, the likelihood is that the football-crazy Spanish public would be denied watching it on

television, bearing it live on the radio and even betting on the game in the pools.

The starting point, in the chaos is the virtual bankruptcy of the clubs. Between them, the 18 first division clubs are estimated to owe banks and other financial institutions 1,097 pesetas (\$66.3m). This is very close to the total budget of the same clubs for this season, which stands at 11.6bn ptas, up from 10.4bn ptas last year.

Real Madrid, its days of distant glory now a distant memory, has a record 1.9bn ptas budget for the 1984-85 season and is up to the top by a narrow margin, owing the banks 1,247 pesetas, which has less glory and even fewer pretensions, is almost as much in the red as Real Madrid and has a more modest, but still staggering 640m ptas budget.

Valencia is in fact one of eight first division clubs that are still trying to meet the cost of rebuilding their stadiums for the 1992 World Cup.

The World Cup-outlay represents only a small part of the debt. The clubs have only themselves to blame. In past seasons, they have engaged in a spectacular spending spree rivalled only by their Italian counterparts. The total budget of the first division clubs in

Spain has doubled in the past five years.

In order to survive, the clubs have gone into battle together to demand more money from the state television service, from the radio networks and from the pools. The initial skirmishes have been bloody and every-

thing looks set for a long war of attrition.

The clubs want pta 900m to allow TV cameras into the stadiums and television's last bid is pta 450m and not a peseta more. They want pta 400m from the radio networks, which has been a rude shock for the airwaves, which only paid normal broadcast facility fees.

Talks with television and radio are still continuing but nobody is hopeful. As things stand, there will be no television coverage of any game starting tomorrow, and no live radio as from tomorrow week.

On the pools front, the clubs want their present 1 per cent of the takings to be increased to 5 per cent. The pools service, like the national lottery, is run by a department of the Finance Ministry and its income is spread out widely, chiefly in local government. The Finance Ministry has shown little interest in helping the clubs out of their self-created economic chaos and so the clubs have coolly responded by arranging fixtures only during September.

The bickering over the pools and television and radio rights looks increasingly academic. There is not much point in arguing over them if the players ensure that there will not be any football anyway. The strike lobby demands are sufficiently diffuse and complex to make an early settlement unlikely.

Included in a package of demands on social security coverage and fringe benefits here are the complaints of those who are paid and of those who are not. The fix was regular salaries instead of a windfall bonus system that has Spain's inland revenue knocking on their doors the day after a successful match.

The unpaid, though ostensibly playing football for a living, are effectively amateurs. Spain's third division club players are estimated to be owed a total of 350ptas from last season.

If, as seems likely, the Spanish football season grinds to a halt almost as soon as it started, at least there will be tomorrow's Real Madrid-Barcelona match to talk about.

Never just an ordinary game and always with political passions close to the surface (Barcelona is Catalan nationalism), this clash of giants has the added ingredient of two Spanish league debuts on the Barcelona side.

Mr Terry Venables, late of Queens Park Rangers, will be on the manager's bench and Mr Steve Archibald, late of Tottenham Hotspur, will be Barcelona's main striker. In what the Spanish Press inevitably called a second Malvinas (Falklands) triumph, the two Britons were replaced by Cesar Luis Menotti, Argentina's former national coach, and his protégé, the incomparable Diego Maradona.

# Chinese woo East Europeans

BY MARK BAKER IN PEKING

CHINA is making a major effort to strengthen its ties with Eastern Europe at a time when its relations with the Soviet Union are at the lowest point for several years.

The new push has been emphasised by a rovocative visit to Romania and Yugoslavia this week by Li Xiangmin, the Chinese president, during which he has attacked the Soviet Union and championed independent action by Eastern Bloc nations.

Li was lavishly welcomed in Bucharest and Mr Nicolae Ceausescu, Romania's President—already in dispute with Moscow for his maverick role within the Warsaw Pact—joined him in attacking both the Soviet Union and the United States on disarmament.

The visit coincided with a vehement attack by China on Mr Konstantin Chernenko, the Soviet President. The party newspaper, "People's Daily," accused Mr Chernenko of personally orchestrating an anti-Chinese campaign since he came to power early this year, when Western diplomats believe that Sino-Soviet relations are now worse than they have been since the late President Leonid Brezhnev initiated moves in early 1982 to reopen dialogue between the two countries.

China chose the 40th anni-

versary celebrations of Romania's liberation from Nazi occupation, which began last year, to bolster its friendly warm friendship with the Romanians.

While the Soviets sent a relatively junior official to the celebrations, Li was the most important foreign guest. He was welcomed by a crowd of thousands of people in Bucharest's Republic Square and the official Romanian news agency, Agereps, described the visit as a "great political event."

In speeches reported extensively by Agereps, Li and Mr Ceausescu called jointly on the Soviet Union and the U.S. to halt the deployment of medium-range nuclear missiles. They urged the resumption of Soviet-U.S. talks on nuclear weapons and the conclusion of an agreement for the reduction of nuclear weapons.

Li was also reported praising Romania's independent style within the Warsaw Pact. "Each State has the right to choose the way of revolution and socio-economic construction and independently decide on its stand regarding international issues. The socialist countries are no exception."

China has been cultivating its friendship with Romania for several years. Since a visit to

Peking in 1982 by Mr Ceausescu—his fourth since 1964—there have been visits to Romania by Mr Yaoqun, the Communist Party Secretary General, and Yang Dexi the Army Chief of Staff.

Romania confirmed its interest in a firmer relationship last week when it awarded Deng Xiaoping, the Chinese leader, the Star of Romania First Class, on his 80th birthday.

China has also been wooing other Eastern European countries, especially Poland, Hungary, East Germany and Yugoslavia, where Li is now touring.

After a visit to Eastern Europe in June by Chen Muhua, the Trade Minister, China announced that its low level trade with Hungary, Poland, Czechoslovakia, Bulgaria and East Germany, was likely to rise to about \$800m (\$822m) this year.

The Chinese leadership believes that the change in Soviet leadership has led to a marked deterioration in its relationship. It appears to regard the promotion of links with Eastern Europe as a way to counter Soviet domination within the Socialist World and also develop its own international influence.



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**Chinese woo East Europeans**

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China chose the 40th anni-

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# Plan for action on council staff claim wins backing

BY PHILIP BASSETT, LABOUR CORRESPONDENT

DELEGATES to a conference of white-collar council staff yesterday approved proposals which could disrupt local government work throughout England and Wales if pay talks this month end in failure.

A National and Local Government Officers' Association delegate conference, representing about 550,000 white-collar local authority staff, yesterday gave final approval for the plans for industrial action unless an improved pay offer is put at a meeting with council employers on September 21.

However, the likelihood of the action going ahead may well have been diminished by the closeness of the card vote—258,495 to 206,870—approving

the union leadership's rejection of a 4.5 per cent pay offer.

The real position may well lie in a comment from Mr Mike Blick, chairman of the union's local government committee, who said that the negotiators' case needed to be strengthened by the plan for industrial action being approved.

Included in the proposals for action are:

- Selective strikes by key staff, paid a policy of non-cooperation.
- Refusing to deal with telephone calls and correspondence.
- Non-collection of rent and rates.
- A ban on non-contractual overtime.

However, a report from the

local government committee warned that the political climate was "very unfavourable for successful industrial action," especially in view of the Government's "firm opposition to being seen to make concessions in the face of the miners' action."

Some delegates stressed this. Mr Graham Cessney, representing Nuneaton and Bedworth, said it was stupid to suggest that the union would be able to get all its members out on industrial action.

The 4.5 per cent offer is in reply to a claim for increases, due on July 1, of about 7 per cent; restructuring of low pay scales; a 35-hour week and at least 25 days annual holiday.

# Teachers to act over pay deal delay

THOUSANDS of children face being sent home at lunchtime when schools start the new term next week in a fresh round of industrial action by the National Union of Teachers.

Britain's biggest teachers' union yesterday called on its 235,000 members in England and Wales to withdraw all goodwill and not to cover for absent colleagues when schools reopen, in retaliation for delays setting its long-running pay dispute.

The NUT said that while the unions quickly prepared evidence and put forward their nominee for the arbitration panel, the employers side adopted tactics to delay a settlement.

The arbitration panel is expected to report to Sir Keith Joseph, Education Secretary, who has just returned from America, within the next 10 days.

Mr Doug McAvoy, NUT deputy general secretary, said the employers must accept full responsibility for next week's disruption.

"Teachers should be returning to school with certain knowledge of their pay award and every prospect of the increase being paid in September.

"Instead they are going back in an angry mood and with no idea of the scale of the award."

# John Lloyd analyses yesterday's TUC discussion on the miners Days of NUM isolation may be over

THE THREE-HOUR meeting of the TUC general council in Brighton's Metropole Hotel yesterday morning was momentous.

For the first time in 25 weeks, the council had a discussion on the miners' strike which had an integral part of the nature of TUC involvement in the dispute.

The adoption of the statement was a recognition that the miners had conceded in the course of a grueling 54-hour general strike across Thursday night and Friday morning, that "practical implementation" of the support which the council could offer depends on discussion with the unions concerned and the general council.

The general council, the National Union of Mineworkers' splendid isolation are over—or should be.

The debate in the council ended with a vote split 38 to 5 in favour of endorsing the statement. In fact, three camps emerged rather than two. The first, the "rejectionists," were the five who voted against endorsement—Eric Hammond, general secretary of the Electrical, Electronic, Telecommunications and Plumbing Union, John Lyons, secretary of the Engineering Managers' Association, Left Mills general secretary of the Banking, Insurance and Finance Union, Bill Sims, general secretary of the Iron and Steel Trades Confederation and Fred Smithies, general secretary of the National Association of Schoolmasters.

Three of these are directly involved in any broadening of the action: Mr Sims' members have already rejected miners' attempts to blockade steel plants or cut production while Sims' bitter over attacks on him by Mr Arthur Scargill, the NUM president, and believes that no agreements made with

THE TUC General Council "condemns the NCB's efforts to run down the coal industry, and affirms total support for the following:

- The National Union of Mineworkers' objectives of saving pits, jobs and mining communities;
- A concerted campaign to raise money to alleviate hardship in the coalfields and to maintain the union financially;
- To make the dispute more effective by (a) not moving coal or coke, or oil substituted for coal or coke, across NUM official picket lines, or using

such material taken across NUM official picket lines, (b) not using oil which is substituted for coal.

The NUM acknowledges that the practical implementation of these points will need detailed discussion with the General Council, and agreement with unions who would be directly concerned.

The General Council calls for a fresh commitment of all to an expanding coal industry.

The General Council calls on the NCB to resume negotiations immediately with the NUM "to resolve this damaging and costly dispute in line with the Plan for Coal."

motion complemented by amendments from the train drivers and the seamen forbidding the crossing of picket lines and the use of "blacked" coal.

They were told that delivery of that kind of support was impossible: workers throughout Britain could not be told by the TUC General Council not to cross picket lines anywhere and everywhere. Gradually, the consensus emerged that coal, coke and oil substituted for coal should not cross the lines or be used.

More importantly the clause was written in over the initial strong objection of the NUM team—that such support "will need detailed discussion with the General Council and agreement with unions who would be directly concerned." Support, as was stressed time and again yesterday was conditional on agreement: unions autonomy would in the end be safeguarded.

The left, which might otherwise have objected to this could scarcely oppose what the miners had accepted. Mr Moss Evans, general secretary of the Transport and General Workers' Union, again pledged that the miners would continue to enjoy total support from his union and backed the agreement.

The third camp, the most important yesterday, was that of the "unitarists." Led by Mr Bassett whose General Municipal and Bolemakers' Union is the most numerous in the power stations, that camp sees the display of unity in congress and the need to end the dispute as the overriding factor. Mr Bassett argued the case strongly for acceptance, supported by among others Mr Gerry Russell of the right-led engineers.

# Public service conflict forecast

BY OUR LABOUR CORRESPONDENT

CONFLICT between the Government and public service workers over pay "seems inevitable," public service union leaders warned yesterday.

Leaders of four unions representing more than 1.5 million employees in the public services—central and local government—met yesterday for the first time to announce that they would offer each other "mutual support" in pay negotiations.

Leaders of Nalco, the Civil and Public Services Association, the Society of Civil and Public Servants and the Civil Service Union will use a resolution at next week's TUC Congress to launch a campaign over public

service pay.

Union leaders have been alarmed by disclosures that the Government is expected to set its cash limit pay factor—effectively, its target for pay increases—at 3 per cent again this year.

Mr Campbell Christie, deputy general secretary of the SCPS, and Mr Mike Blick, chairman of Nalco's local government committee, said that the Government should delay setting its cash limits until the outstanding pay negotiations in the public services were complete.

"Sooner or later the Government will be forced to rectify the imbalance between public

services and private sector pay," they said in a statement issued yesterday.

The Government should "allow the process of catching up to begin in the 1984-85 pay round. Otherwise, conflict between public service workers and the Government seems inevitable."

Faced with the prospect of a fifth year of an incomes policy for the public sector, the unions referred to the outburst of industrial action in the public services in the 1978-79 "winter of discontent," which was instrumental in the Labour Government's subsequent electoral defeat.

# NUJ leaders back 'merger'

BY DAVID GOODHART, LABOUR STAFF

The executive of the National Union of Journalists yesterday backed a plan to introduce mandatory imperial chapels at provincial newspapers introducing new technology—which would in effect mean a merger of the NUJ and the print unions at local level.

The proposal is one of several to be discussed with the National Graphical Association in an attempt to agree common ground in response to the employers' Operation Breakthrough initiative for introduction of single-keyboarding in the provincial press.

Mr John Tibbott, the NUJ's national officer for the provincial press, has been elected the union's assistant general secretary (elect). He defeated the left-wing candidate, Mr George Jerrom, national officer for Fleet Street, by 28,578 votes to 22,842.

# Miners occupy three Port Talbot cranes

BY OUR LABOUR STAFF

NEARLY 100 South Wales miners last night remained perched 120 ft above the harbour at Port Talbot steelworks. The men, who are occupying three cranes used to unload coal and iron ore ships, rejected requests from police to come down.

The miners are attempting to halt supplies to the British Steel Corporation's Llanwern and Port Talbot plants. Dockers at

the deepwater terminals are on strike, but steel workers have been unloading ships.

The striking pitmen invaded the harbour late on Thursday night. Security staff said they crashed through a barrier in a fleet of mini-buses and private cars.

Officials of the National Union of Mineworkers, who said the action was in support of dockers, claimed the miners

had food, drink, sleeping bags and extra clothes.

Last night the miners complained that police had let down the tyres of their vehicles, run flat the batteries and smashed a car window. They said they would not leave until the damage was put right.

The miners denied police claims that they had caused any damage, or peited officers who tried to approach them.

Mr Ian MacGregor, the Assistant Chief Constable (Operations) of the British Transport Police, said: "I am not prepared to negotiate terms with men in breach of the law."

The miners demanded that as the Spanish bulk carrier Argos, berthed below, be sent away without its cargo of iron ore being unloaded. The threat to production is potentially serious if the occupation goes on.

# Alternative jobs offer for men at Polkmet mine

BY MARK MEREDITH AND MAURICE SAMUELSON

THE SCOTTISH REGION of the National Coal Board said yesterday that alternative jobs could be offered to the 1,300 miners at Polkmet Colliery, West Lothian, which closed after a dispute over safety cover of pumps and ventilation equipment.

The pit, which supplied its entire output to Ravenscraig Steelworks, seems almost certain to close after a build-up of over 15m gallons of water and noxious gas.

A statement from the NCB said: "Mindful that the Polkmet men voted overwhelmingly against strike action, board officials have been concerned to ensure that jobs can be made available for every man."

Taking into account the 2,500 men in the Scottish coalfield

who have applied for voluntary redundancy, jobs could be offered to the Polkmet men at pits near Edinburgh and in Fife.

The Polkmet miners are thought to have voted originally by as much as 80 per cent against joining the strike. When five or six men reported to work recently the union withdrew those it provides in Scotland to man safety equipment.

Five vessels which normally supply the bulk of British coal to Northern Ireland are likely to be laid up next week, with job losses for 85 officers and men, because of the pit strike.

The ships, from 1,850 to 3,000 tonnes, belong to John Kelly, the Belfast coal-shipping concern, which says that the fleet has lost about £700,000 since March.

# Shetland seeks passage for livestock vessels

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

SHETLAND ISLAND Council with 12,000 cattle and about 6,000 sheep in Orkney.

An elaborate chain of sales and shipments was thrown into confusion by the dockers' decision, and island farmers feared heavy losses.

Two Shetland officials arrived in Aberdeen yesterday afternoon, and later met Mr Mel Kenman, regional official of the TGWU. Further meetings are expected today.

members trying to reverse a dockers' decision not to handle livestock ships from the islands met union representatives yesterday in Aberdeen.

Thursday's decision rejecting a recommendation from the Transport and General Workers' Union regional official to make an exception of these ships in the dock strike has left stranded about 65,000 lambs in Shetland.

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1966	407	500	9,200	10,000
1967	428	525	10,460	10,000
1968	427	542	13,840	10,000
1969	441	587	11,080	10,000
1970	463	600	10,760	10,000
1971	487	600	15,680	10,000
1972	523	600	18,820	10,000
1973	606	758	13,620	10,000
1974	731	850	7,700	10,000
1975	828	821	16,300	10,000
1976	906	792	14,740	10,000
1977	1,025	800	22,200	10,000
1978	1,201	729	23,340	10,000
1979	1,396	946	22,780	10,000
1980	1,660	1,150	24,280	10,000
1981	1,840	1,006	26,240	10,000
1982	1,860	953	30,040	10,000
1983	1,900	775	41,280	10,000
1984	2,018	825(a)	45,060(b)	10,000
Total income	19,543	15,145	Total Capital	45,060
				10,000

NOTES: All the above figures are based on an investment of £10,000 on 6 May 1964. Income figures shown are net of basic-rate tax; capital values are as at 31st December in each year and are the realisation values. Building Society income figures are 1% above the average of the rates offered in each year. (Source: Building Societies Association.) (a) Estimated (b) To 31st July 1984 (bid price)

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							Current	Range†			
British Land 12pc Cv 2002	9.80	412.50	333.3	80-87	2.9	—	-1.8	-7 to -1	28.2	30.8	0.6 + 2.4
Hanson Trust 9pc Cv 01-08	81.94	349.50	160.7	85-01	2.8	—	-5.9	-9 to -2	167.1	74.3	-25.0 - 19.1
Slough Estates 10pc Cv 87-90	5.03	305.50	234.4	78-85	3.3	—	-5.5	-11 to -2	13.1	4.8	-2.7 + 2.8
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Handwritten note: JPK 10/1/84

# Lucas threatens to shut Birmingham division

BY LORNE EARLING

LUCAS INDUSTRIES has warned 2,100 employees in Birmingham that unless they accept company plans to improve efficiency through new working practices, it will shut down their division.

Initial responses to the appeal are good, the company said, with acceptances running as high as 90 per cent in one factory, but at about 50 per cent in another.

The ultimatum, which effectively bypassed the unions by appealing directly to the workforce, reflects a new, tougher management approach, outlined recently by Mr Tony Gill, Lucas's managing director.

Employees at Lucas Electrical's Shaftmoor Lane plant and two nearby factories which make starter motors and alternators, were told earlier this year that changes would have to be made to reduce unit costs and return the division to profits.

Lucas said that about £15m would be invested over the next five years to introduce lighter-

weight products to compete with West German and Japanese companies which have been pulling ahead.

The company said that it reached agreement on this earlier this year, but on August 22 was told by union officials that they were in agreement and that pay rises would be sought in relation to the new working practices.

Management responded by sending a letter to employees this week, setting a deadline for acceptance of the terms by 4 pm yesterday.

The letter said: "Without this collective agreement, the business will close. The only alternative to closure is to obtain acceptance of the attached agreement on an individual basis.

"Providing we have an appropriate level of support, we will continue to run the business with those people who have indicated their willingness to accept the new working practices."

Lucas had made it clear ear-

# Surprise for Scotch as Irish goes single

By Our Belfast Correspondent

THE Scotch whisky industry's domination of the market for single malt whiskies is to be challenged by Old Bushmills distillery, Northern Ireland's only whisky producer.

The 376-year-old distillery is launching a 10-year-old single malt on the UK and European markets. No other Irish malts are currently produced.

Old Bushmills was first granted a licence to distil by James I of England in 1606, and boasts that it is the oldest licensed distillery in the world. Its two blended brands, Old Bushmills Irish Whisky and Black Bush, are exported to 108 countries. It has always made malt whisky, but until now used it entirely for blending.

The company does not plan to flood the market with the malt which will retail at between £12 and £13 a bottle in offices.

Mr Bill McCourt, managing director, said: "It is a fine, smooth malt, which retains the character of Bushmills whiskies. We have chosen not to go for a huge publicity word of mouth which will be enough to do the job."

The "cap" was taken off the whisky in Belfast, but the company will launch the product in Scotland next week to be followed by similar events in several European capitals.

Mr Willie McKee, the company's Scotch-whisky production director, said: "I believe the Scotch industry will get a pleasant surprise."

# Warning on incorrect drug instructions

BY CARLA RAPAPORT AND LISA WOOD

GLAXO, one of Britain's leading pharmaceutical companies, is planning to warn doctors and chemists about a batch of imported drugs and its likely to spark a new round of controversy over the parallel importation of drugs, a practice condemned by some doctors and chemists as potentially unsafe.

Parallel importers buy low-priced drugs on the Continent, usually repackaging them and sell them to pharmacists in the UK. In this case Bommor Medical Supplies imported a batch of Beotide inhalers from Italy and repackaged them in Britain with faulty instructions.

The incident is the latest round in the growing controversy over parallel imports, which are estimated to be costing the British pharmaceutical industry between £75m and £100m in lost sales. This week Glaxo was given a clean bill of health by the European Commission after an investigation into its alleged infringement of EEC free trade rules.

ECC officials came to Britain in May to investigate complaints by parallel importers of medicines that pharmaceutical companies and trade associations were infringing free trade rules, with actions concerning parallel imports.

One complaint is understood to concern the import of English court proceedings brought by Glaxo's Allen and Hanbury subsidiary alleging infringement of intellectual property rights in cartons and pack leaflets for Ventolin, the group's anti-asthma inhaler.

The Commission has apparently accepted that Glaxo's intention in bringing the proceedings was purely to protect its legitimate intellectual property rights.

A second complaint involved a letter to doctors from Allen and Hanbury, the marking of prescriptions "UK pack only".

The Commission noted, in view of new UK legislation concerning parallel importation, that the company had sent out a further letter withdrawing that advice.

But the hottest issue in safety, he says, is parallel importing of drugs. Parallel importers are drug wholesalers who sell drugs in Britain which they have purchased more cheaply in continental Europe.

The practice of parallel importing is protected by EEC regulation. But the parallel importing of cars, he says, is vastly different from that of drugs, which can vary from country to country.

"We are seeing a very retrograde step in drug regulation with the rise of parallel importing. The terrible problem is that you don't see the horrors that these imported drugs cause. If a patient with high blood pressure had a stroke, the doctor would not think to blame the patient's medication. But these drugs are not equivalent. There is a disaster potential here."

He dismisses the Government's plan to license parallel

# Carla Rapoport meets the pharmaceutical companies' standard bearer Prescribing action for the drug industry

IN AN industry where controversy is treated like an infectious disease, Dr John Griffin, already stands out. Dr Griffin, who became chairman of the Association of the British Pharmaceutical Industry a fortnight ago, is not afraid of expressing opinions in support of an industry he believes has been undervalued by the public, press and, increasingly, Government.

"There tend to be two types of reports about the pharmaceutical industry," he said in an interview this week. "One is the wonder drug story, which is usually true. The second is the shock horror story. We (the drug industry) have a responsibility to speak up more on a variety of topics and this is what I intend to do."

Dr Griffin, 46, arrives at the ABPI after 13 years as a senior civil servant with the drug regulatory arm of the Department of Health and Social Services. Previously he worked in private industry and has made drug safety a speciality for more than 20 years.

It is on drug safety that he is most outspoken. The pharmaceutical industry has been under attack recently for a number of drug withdrawals following the controversial withdrawal two years ago of Opren, an arthritis drug made by Eli-Lilly. Opren was associated with more than 20 deaths. According to Dr Griffin, however, the responsibility for the Opren withdrawal should be shared by the medical community, the Government and industry.

"Something like one in six doctors uses the system of reporting a patient's adverse reaction on a drug. We must get doctors to use the system if we are going to pick up unsafe drugs quickly."



Dr John Griffin: a specialist in drug safety

importers as insufficient. "These licences won't require as much scrutiny as a product licence," he says, referring to the arduous tests that new drugs have to go through to be licensed in Britain.

One reason that the government is not prepared to stop parallel importing on drugs, he says, is that it hopes industry will make the practice unprofitable by lowering prices to match the importers' prices. "This is another attempt to bail out the drug industry."

"No one has ever accused me of not fighting a good fight," he says with a smile. The British pharmaceutical industry, he says, developed 12 out of the 20 best-selling drugs in the UK and three out of the top six worldwide. "Yet we account for just 4 per cent of the world market. This is what we are trying to protect."

The savings on parallel importing, he points out, do not accrue to taxpayers but to importers and retail pharmacists.

He also intends to press for original pack dispensing, a move which would guarantee that patients knew the name, manufacturer and batch number of every medication. "The current system is archaic."

He intends to spend the next few weeks visiting member companies before forming too many objectives for the ABPI.

As to the delicate questions of the industry's relationship with government and future negotiations on drug pricing, Dr Griffin says: "I hope I still have a few friends in the DHSS. Having been in academia, industry and government, I hope I will be able to see our problems in the round."

# Life companies 'too optimistic'

BY ERIC SHORT

LIFE COMPANIES which make over-optimistic forecasts about the future performance of their policies came under attack yesterday from Mr Hugh Scurlfield, general manager of the Norwich Union Life Insurance Society.

Mr Scurlfield said in London that some life companies were forecasting paying out between 30 and 40 per cent more in the future than had been possible under those favourable conditions.

Although Mr Scurlfield did not name any companies, he distributed a comparison of actual and projected payments taken from the annual survey of traditional with-profits results in Money Management magazine.

This list showed some household names making promises of higher payments in the future,

particularly for 25-year term contracts—the most popular term used for mortgage repayment contracts. These included Commercial Union forecasting 30 per cent more, Eagle Star 34 per cent more, Friends' Provident Life Office 30 per cent more, and the Life Association of Scotland 47 per cent more.

Mr Scurlfield was speaking on the announcement of a 20 per cent increase in Norwich Union's terminal bonus—paid when a contract matures or becomes a death claim—applicable to the group top of the current payout list for 10 and 15 year contracts and second for 25-year policies.

Bonuses being paid to policyholders now came from the results of investment in a period when conditions were very good. He could see no reason to encourage the investing public to expect more in the future than had been possible under those favourable conditions.

However, the higher than normal fall in the market leaders' shares suggests that fleet buyers are shunning the market in the expectation of an early downward movement in interest rates.

The effect of the reduced August market should be to ease downward pressure on used car prices, according to Glass's Guide, the motor trade's standard reference work on used car prices.

In its September editorial, the guide says the August registration change, creating a bulge in trade-ins, "leaves much to be desired."

"The used car trade receives its biggest injection of stock when most of the best selling wmontons are already past and with only a short time to dispose before the run-up to winter."

# August new car sales down as expected

BY JOHN GRIFFITHS

AUGUST NEW car sales fell from last year's record 374,000 to under 300,000.

Although expected, this still represents the third highest August total on record, but manufacturers yesterday were expressing disappointment at the outcome, and appeared to be at a loss to explain it fully.

Some falling back from last year's figure had been regarded as inevitable as the registration plate changed from the old letter suffix to the "A" prefix which was seen as a major stimulant to sales, particularly among private buyers.

The market was also still benefiting from a sales surge associated with the relaxation of hire purchase controls.

The 21 per cent rise in interest rates in June was attributed yesterday as the biggest factor in depressing the

August figure—but even this was regarded as not offering a full explanation.

Up to the end of July, the year's sales were running 1.6 per cent ahead of the same period of 1983, a record year in which a total of 1.79m cars were sold.

With three days' figures yet to be recorded, Ford's market share stood at 28.2 per cent, BL's at 15.5 per cent and Vauxhall/Opel's at 14.3 per cent. BL's and Vauxhall's shares, in particular, were well down on recent months and Ford remained below its 30 per cent target.

In contrast, most "traditional" importers, such as the Japanese, Volvo and Renault saw their market shares rise, reflecting the fact that August tends to be a private buyers' market.

# Racial launches research group

RACAL, the electronics group, has set up a specialist research company to look into the prospects and markets for information technology.

Racal Information Technology Developments will develop products and systems for the next decade. Racal believes its IT business could rise to £1.3bn (£1bn) by 1990.

The company will look at the integration of voice, images and data, the use of artificial intelligence, and the relationship between people and computers. An advanced computer system will be installed

# Elton John's piano realises £2,400

AFTER the high prices paid for Beatles memorabilia at Sotheby's on Thursday, demand for pop star items was porous yesterday. Elton John's piano, in sky blue, decorated with flowers, was bought in at £2,400, around half its estimate, and many items sold for less than forecast.

The Hard Rock Café was a major buyer, acquiring the four top lots. It is building up a rock and roll museum. It paid £3,250 for a guitar once owned by the Rolling Stone Brian Jones while the bass guitar of another Stone, Bill Wyman, went for £23,080. The Who's gold disc for Tommy sold for £2,310 and a similar disc awarded to Fleetwood Mac for Rumours realised £1,700.

The two-day auction totalled £281,155, a record for a Sotheby's sale in this sector, with 7.9 per cent bought in.

# ICI to invest £2m in Teesside plant

ICI plans to invest about £2m in the expansion of its capacity to produce acrylic materials at Billingham, Teesside.

Jobs will not be created by the investment.

ICI produces toughened acrylics in the Netherlands which are used to make items such as light fittings, medical and kitchen equipment and signs.

ICI said the investment would make it a leader in the field in western Europe.

# Gallaher to increase cigarette prices

GALLAHER is to increase the price of cigarettes and tobacco from October 1.

Cigarettes will go up by 2p for 20, taking the recommended retail price of Benson and Hedges Special Filter, the UK's largest selling cigarette, to £1.27 and Silk Cut King Size, the most popular low tar brand, to £1.25.

Pipe tobacco brands will rise 2p for 25g, increasing the price of market leader Concor to £1.25 and Mellow Virginia to £1.31. Samson handrolling tobacco goes up 1p per 25g to £1.79 and Old Hoborn by 2p for 25g to £1.75.

# Industry's property needs to be studied

A STUDY of modern industry's property needs has been commissioned by the Department of the Environment.

Industries which make technically advanced products as well as those which use advanced technology to make traditional products are to be studied.

The purpose of the study, by Coopers and Lybrand Associates and Dr Norman Jackson, previously engineering director, and consolidation of all existing finance and services functions into the new finance and services division, under Mr Colin Smith, previously financial director.

Mr Colman is succeeded as marketing director by Mr Allen Deller, currently senior general manager, marketing. Mr John Prothero-Thomson, currently operations director, has been appointed new projects director.

Dr David Freemantle has resigned as personnel director and will be leaving the airline.

# Alliance claims prospect of success in GLC vote

BY IVOR OWEN

LIBERAL and Social Democratic Party leaders claimed yesterday that there was a real prospect of success in the four Greater London Council by-elections to be held on September 20 which would result in the Alliance holding the balance of power in County Hall.

Even if they are unable to prevent Mr Ken Livingstone, who is seeking re-election in Paddington, from regaining the Labour leadership of the GLC, victory in the other seats would be sufficient to prevent either Conservative or Labour councillors having an overall majority.

Dr David Owen, leader of the Social Democrats, forecast that if the Alliance gained the balance of power, politics in County Hall would be transformed, with the Labour and conservative groupings forced to do deals in any agreement reached compromise agreements framed to serve the best interests of the entire GLC electorate.

Mrs Anne Sofar, the SDP

# Companies call for cash to improve industrial park

BY NICK GARNETT, NORTHERN CORRESPONDENT

A GROUP of 10 large manufacturers with sites in the Trafford Park industrial estate near Manchester have warned the Government that some of them might abandon the area unless cash is provided to improve the park.

The group of 10, formed earlier this year, and known as the Trafford Park Major Manufacturers group, includes GBA, Geigy, GEC Turbines, Kellogg, and CPC, which manufactures starch-related products. Proctor and Gamble and Massey Ferguson have also been involved and the local management of ICI dyestuffs and Turner and Newall.

Mr Hamish Stewart, one of the managers involved in last year's management buy-out of Carburandum Abrasives, which has played a prominent part in the group, said meetings with ministers and officials had sometimes been heated, reflecting strong feelings about the issue.

So far, discussions with the Government have proved difficult, though they are continuing on a number of fronts.

Trafford was the world's first industrial park and once employed 75,000. It now employs less than 30,000 and suffers from generally poor roads, semi-derelict docks and redundant rail lines. One-ninth of its 2,000 acres is derelict, and it has 82 vacant buildings.

The manufacturers' group has been seeking both inner city partnership money and assisted area status under the Government's soon-to-be-published proposals. This would allow the area to benefit from European Regional Development Fund money.

The spur for the group's lobbying came from Trafford Borough Council, which submitted a claim for partnership money similar to that received by Salford and Manchester, Trafford as a whole, however, is more affluent than those two cities and the borough does not qualify under present rules.

Meeting with Sir George Younger, Under-Secretary of State at the Department of the Environment, and Lord Bellwin, Junior Environment Minister, have resulted in a number of government suggestions on claims for derelict land.

# British Caledonian Airways consolidates

BRITISH CALEDONIAN AIRWAYS has completed a structural re-organisation, involving board-level changes. It centres around consolidation of the BCal operational and administrative divisions into fewer separate units. Key moves are: Appointment of Mr David Colman, previously marketing director, to the new position of deputy managing director; consolidation of the existing flight operations and in-flight services divisions under Captain John Fugl, flight operations director; consolidation of engineering and ground operations into the new ground operations and engineering division, under Mr Norman Jackson, previously engineering director; and consolidation of all existing finance and services functions into the new finance and services division, under Mr Colin Smith, previously financial director.

Mr Colman is succeeded as marketing director by Mr Allen Deller, currently senior general manager, marketing. Mr John Prothero-Thomson, currently operations director, has been appointed new projects director.

Dr David Freemantle has resigned as personnel director and will be leaving the airline.

Mr Jack Rosch, formerly special director, industrial relations, now becomes special director, personnel.

Mr A. J. Aspinall has been appointed secretary of R & G SECURITIES and of M & G Investment Management.

Mr G. R. Shore has been appointed a director of ECC QUARRIES and will succeed Mr E. Bailey as regional director (southern) on October 1.

Mr Gordon E. Thompson has been appointed deputy chairman of BEATSON CLARK, in addition to his responsibilities as technical director. He joined the company in 1957 and was appointed a director in 1963. He is chairman of the council of the British Glass Industry Research Association.

MORNINGTON BUILDING SOCIETY has appointed Mr Christopher J. Weston as chairman following the retirement of Mr D. C. Davidson. Mr Nigel B. Clutton has been appointed vice chairman.

The Trade Secretary has re-appointed Professor J. R. Webster as chairman of the POST OFFICE USERS' COUNCIL FOR WALES from September 1 until May 31 1985.

Mr Donald E. Beauregard has been appointed to the board of ROHAN GROUP. He is chief executive of Rohan Colorado Inc.

Mr Andrew Astley has joined SCANIA (GREAT BRITAIN) as director of finance and assistant general manager. Mr Bob Owen, who was director of finance, has reached retirement age. He will stay on as company secretary and as consultant until the end of the year. Prior to joining Scania, Mr Astley spent a number of years with the Swedish special steel company, Fagersta AB. He was managing director of Fagersta do Brazil for four years before moving back to Sweden as head of one of Fagersta's divisions.

TARMAC QUARRY PRODUCTS division has appointed Mr A. G. B. (Tony) Sage as managing director of the division's expanding block-making and building materials activities. These include block-making acquisitions as well as acquisitions as B. S. Brookings. Since 1980 Mr King has been European representative of the New York-based financial services company, General McCabe & Co Inc, following previous senior appointments with Instock Johnson.

Mr Ian Williams has been appointed area director of NATIONAL WESTMINSTER BANK'S West End (Central) area office. He succeeds Mr Tony Sykes on his retirement.

Mr Ian Cameron is joining CAUSEWAY CAPITAL from Investors in Industry, the parent company of IICF. On receipt of his representatives licence from the Department of Trade and Industry, he will be appointed a director of Causeway. Mr Cameron is currently a controller in the head office investments department of Investors in Industry specialising in medium-to-large transactions.

Mr Clive White has joined furniture manufacturers STABLES & CO as marketing director. He was previously director of Dunlopillo, at Parsipal, Yorks.

# Companies sponsor Stoke garden festival

By David Lawson

THE SUCCESS of Merseyside's international garden festival seems to have already underpinned the next gardening harbours, planned for a former steelworks site in Stoke-on-Trent.

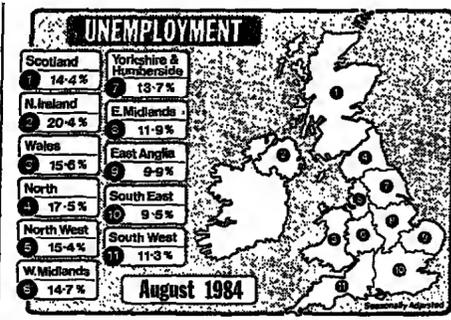
The holiday period had boosted the total of Merseyside's visitors to 3.7m by this weekend, on course for the 3.1m break-even point by the close in seven weeks. The overall success has brought a stream of sponsorship from private companies to the 1986 steelworks site.

"They are realising it will be a going concern, and we hope to break even on revenue costs," said Mr David Hancock, the Stoke festival director.

Spending will be on a different scale. The bill of about £10m will be half that of the Merseyside festival, where another £11.5m went on land reclamation.

Tarmac has been awarded an £8.2m contract for managing overall construction and the formation of displays by seven design teams. It has laid the road network, designed mainly for industrial and commercial development when the city-centre site is recycled when the festival is gone.

The investment by local authorities and central government is expected to be recovered through private development.



THE seasonally-adjusted, or underlying, unemployment total rose by 18,200 in August following a similar increase in July and at 3,071m accounted for 12.8 per cent of the working population.

The unadjusted figure, which includes most school-leavers, rose by 15,400 to 3,116m. In addition, there were a further 166,000 young people who have just left school who were unemployed.

Vacancies, which had risen steadily for the previous five months, fell by 2,600 in August to stand at 161,600 on a seasonally-adjusted basis.

Last month, the underlying jobs total rose in all regions except the West Midlands, Yorkshire and Humberside.

The Department of Employment estimates that 670,000 people were covered by special employment and training measures at the end of July, which had the effect of reducing the official unemployment figure by about 440,000.

the North of England and Northern Ireland.

The latter two areas remained the country's unemployment blackspots, however, with 20.4 per cent of workers looking for jobs in Northern Ireland and 17.5 per cent in the North of England.

The lowest rates were in the South-east (9.5 per cent) and East Anglia (9.9 per cent).

# Computer network urged to speed house buying

BY DAVID LAWSON

HOUSE BUYING could be made simpler and quicker by setting up a network of local authority centres holding computerised information needed by agents and solicitors, according to the Royal Institution of Chartered Surveyors.

The Government's land registry, which stores details of ownership, should also be computerised and provision of information made compulsory for owners, says the institution which represents more than 12,000 estate agents.

Access could be allowed to anyone with a "home file interest," although this would be unlikely to speed house buying, says the Institution.

Greater benefit would come from computerisation—particularly if owners were made to provide boundary plans. These are a common cause of disputes, says the institution in its evidence to the Farrand Committee investigation of conveyancing.

# Renault increases car and van prices

By John Griffiths

RENAULT is raising the prices of most of its cars and vans in the UK by an average 4 per cent from today.

Excluded are the 25 range of executive models launched in Britain earlier this summer and the Renault 5 small hatchback. However, Renault UK indicated yesterday that pricing of the 1 would go up—but not before October 1.

Handwritten scribble at the bottom of the page.

# Equities twitching in their sleep

OBSTINATELY, the equity market refuses to emerge from its summer slumber. There is no shortage of news, on the labour front in particular. But those investors still at their desks seem to be taking the view that tussles with the unions are not the market's affair, or, at least, that if the Government cannot handle them, the implications are so cataclysmic that they are best not thought about.

In that context, the 17-point jump in the FT 30-Share Index on Wednesday remains a touch mysterious. At the time, it looked momentarily as if the prospect of a dockers' strike was receding. But then, the market had previously been remarkably resilient when the strike first loomed on the horizon. It would appear that despite thin volume and the aftermath of the holiday period, there is an underlying bullish tone to equities. Whether it persists when full activity resumes is another question.

## Maxwell's hammer

One cannot help feeling that the share price of Fleet Holdings will never be based only on simple questions of earnings and dividends. For Fleet is the only quoted company to offer direct access to the grandly baroque world of the press baron, with its ancient rituals of circulation wars, promotional excesses and backstairs intrigue.

Fleet's share price did in fact jump a few pence on Thursday, when the group announced remarkably good figures for the year to June. The trading companies produced pre-tax profits of £17.5m, £8m better than the year before, and there was in addition a £4.6m windfall on the sale of shares in that extraordinary goldmine, Reuters.

## LONDON ONLOOKER

Fleet still holds some nine-tenths of its original Reuters stake, with a current market value of £80m; in fact, of the group's present net asset value of £170m per share, 95p is attributable to its Reuters holding.

On the trading front, the magazine division proved, as usual, the backbone of the group. But in the second half in particular, the national newspapers—the Daily and Sunday Express and the Daily Star—produced quite a decent return on sales, at least in aggregate (the Star is still loss-making). From here on, though, the going may be rougher, especially if Mr Maxwell has anything to do with it.

Like the other tabloid groups, Fleet has been obliged to follow Mr Maxwell's lead in thrusting a cool willon on some unsuspecting member of the British public. Fleet has not yet paid out (that is, has not yet come to that) but is committed to doing so within the month.

Prodigal though this may sound in the context of Fleet's newspaper trading profit last year of only £6.3m, the reality could be different. Newspaper economics are such that even a temporary increase in circulation can have a transforming effect on the bottom line. Fleet also claims to have spent more than £1m in the past year on its existing bingo game. But then, if Fleet was already spending amounts equivalent to Mr Maxwell's supposedly suicidal new offer, that only tends to confirm

Mr Maxwell's remarkable shrewdness in matters of publicity.

There is another aspect to that shrewdness, or for Fleet's shares contain an element of bid speculation. Fleet's largest shareholder is, of course, Mr Maxwell. His 10 per cent stake—picked up before he gained control of the Mirror—is the central piece in the speculative jigsaw. As owner of one national newspaper group, he is not in a position to buy another; but the possibility of him selling to a predatory outsider creates an atmosphere of uncertainty which is rather inconvenient for Fleet.

As to who such an outsider might be, the possibilities are legion. The cynic might say that it is in Mr Maxwell's interest to sell to someone who would not provide stiff competition for the Mirror. Speculations apart, though, one thing is clear. Sitting as he already is on a tidy profit on his holding, Mr Maxwell is in the enviable position of having all the time in the world.

## Advancing Asda

This week's figures from Asda confirmed the fact that Britain's big food retailers are enjoying their best trading conditions since 1977. That was the year, it will be recalled, in which Tesco launched its decisive price-cutting campaign, which put immense pressure on UK food manufacturers—pressure which was promptly passed on to small independent food retailers.

Within Asda's record-breaking pre-tax profit figure for the year to end-April of £104.6m, the most striking element was the

fact that the group's margins in food retailing reached an all-time high. Students of consumer spending patterns in the UK are aware of how long the good times can last. However, there is a feeling that Asda and its competitors—Tesco, Sainsbury and the rest—can ill afford to let rip on price-cutting in the near future, given the imminence of the Office of Fair Trading's latest inquiry on competition in the food retailing industry.

The comfortable attitude to margins imposed by government supervision may last for another year or so. That is not to say, however, that Asda is without its problems. Within its area of manufactured foods—broadly, meat products and dairy—the year has thrown up a number of difficulties. Pork prices, in particular, have been rising steeply over a period of artificial constraint. And whereas Asda's liquid milk margins will benefit in the current year's first half from the rise in the retail milk price, the new system of EEC milk quotas has done damage on the milk products side.

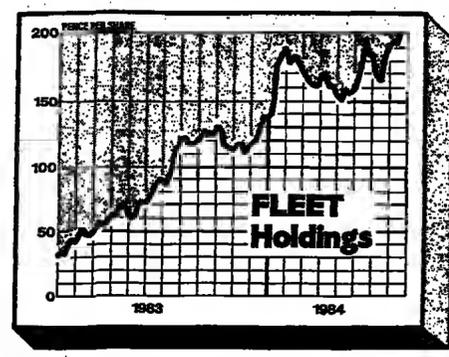
But given the group's very strong cash position, and the still active programme of new store development—eight new outlets are planned in the current year—there is no reason to doubt that the record of profit growth can be maintained for a while yet. Drawing a line through analysts' forecasts, the market is looking for a current year pre-tax total of around £125m. With the shares at over 170p, that puts the prospective multiple in the region of 14.

## Unlucky Ladbroke

The fistfuls of legal tender punters stuck on the favourites for the June Classic races came back across Ladbroke's betting windows with plenty of instant interest. Not a happy time for the bookies this summer then, and Ladbroke bore the brunt of the pain. Its interim profits in the first half of 1984 slipped £2m to £14.2m and if Steve Cauden maintains his current form now that he has switched to Henry Cecil's stable, the bookmakers could be in for a thin time a while longer.

Betting in all its forms remains by some way Ladbroke's largest division—contributing £20.6m to the group's £38.2m operating profits total last year but the thrust of chairman, Mr Cyril Stein's expansion in the last few years has been toward hotels and property. That has meant that a traditionally cash flow business has been sucking in capital while the asset base is being widened, hence the £54m rights issue in the Spring at 191p share.

Ladbroke is still carrying a substantial level of debt after the rights but borrowing by the year end should be a contain-



able 55 per cent of net worth and, while the betting shortfall has set the market back on its ears, at least the forecast dividend yield of some 7 per cent should cushion the shares at about 200p and the hotels division is enjoying good tariffs and occupancy rates.

The bulls are now interpreting this setback as an opportunity to accumulate more stock—after all, every manager knows that nobody wins all the time but the bookies pick up most of the silver most of the time.

## North Sea storms

Quite a clutch of oil or oil-related companies brought out results this week—Lassmo, Charterhouse Petroleum, and Thomson International. All of them, one way or another, show signs of withdrawal from the erstwhile bonanza of the North Sea.

Lassmo, one of the more established North Sea explorers, produced net profits for the six months to end June down by £3.2m, to £13.2m. But the group was at pains to point out that the geographical pattern of its activities is changing. Drilling in the U.S., Canada, Australia and—now very important—Indonesia is moving the group increasingly away from its oil hunting-grounds.

Judging by this week's statements from Charterhouse Petro-

## NEW YORK

WILLIAM HALL

AFTER THE recent beady gains in U.S. share prices, Wall Street investors were leaving early this week to catch the last of the summer sun ahead of the Labour Day weekend, confident that they could leave their portfolios untouched for a few days.

Wall Street was in a confident mood as its denizens headed for the beaches and mountains. Investors have had one of their best ever Augusts. The Dow Jones Industrial Average began the month just above the 1100 mark and since then it has put on over 100 points.

This week, U.S. share prices have been drifting lower in thin trading, with volume averaging around 70m shares a day, less than half the rate of early August. The market technicians viewed this week's weakness in share prices as no more than a necessary consolidation phase and have been concentrating more on guessing the direction of the market's next major move.

The more optimistic have been drawing parallels with August 1982, which marked the start of the current bull market. Perhaps August 1984 marked the start of the second major leg of the bull market which would propel the Dow Jones Industrial Average to a far higher peak than last November's 1987.20.

However, closer analysis shows that there are big differences between the stampede into U.S. equities two years ago and Wall Street's current six-week-old rally. E. F. Hutton notes that in terms of momentum, the 1984 rally has been characterised by bigger trading volume on less impressive breadth and in terms of sentiment, the short-term oriented people have been a bigger factor than in 1982.

In addition, the economic background was very different two years ago, the August 1982 stampede started near the end of a severe recession and after a 400 basis point fall in long term interest rates. This time round, the economy is well into the second year of one of the strongest economic upturns in decades.

Two years ago, long-term Government bond yields were standing at around current levels of 12.6 per cent, but short term Treasury bill rates were some 200 basis points lower. Given the strength of the U.S. economy in 1984 analysts see little scope for a substantial fall in current U.S. interest rates in the short term and this is expected to limit the scope of the current rally.

According to E. F. Hutton,

# Confident mood

the last time U.S. equities experienced two strong upturns was during the 1975-76 bull market. The first move lasted for more than six months and started just before the end of an economic recession (December 1974 to July 1975). The second surge in share prices occurred during an economic expansion and produced a much shorter lived move. The advance started in the second half of December 1975, and even though prices held up through much of 1976, the bulk of the gains were seen by February.

The conventional wisdom on Wall Street is that U.S. share prices will probably move higher after the Labour Day holiday but much of the gains have already been notched up. The U.S. credit markets, whose strong performance earlier in the summer fuelled the rally in equity prices, have been marking time for the last three weeks and are not expected to break out of their current trading patterns in the short term.

Wall Street will continue to monitor the economic data and interest rate picture but over the next couple of months events in the run-up to November's presidential elections and the negotiations between the U.S. automobile manufacturers and the United Auto Workers (UAW) will also play a key role in affecting stock market sentiment.

The first signs were in evidence this week when General Motors and Ford shares dropped around 50¢ apiece on news that the UAW had warned that both are "in jeopardy of their operations being closed down" if they cannot get a wage agreement.

Shearson Lehman American Express argued that its latest weekly newsletter that any indications of a strike, which could depress economic growth during the last half of 1984, or signs that the negotiations are leading to a non-inflationary settlement could be viewed as bullish. Shearson also believes that a victory by President Reagan would also probably be viewed as bullish because it would create less uncertainty.

In the short term, however, the markets are likely to be watching what happens to Financial Corporation of America (FCA), parent of the biggest U.S. thrift institution, with \$15bn of its \$25bn of deposits falling due before the end of September, there are signs that big depositors are not renewing their deposits which could spark off another crisis, reminiscent of last May's run on Continental Illinois, the eighth-biggest U.S. bank.

MONDAY 1227.92 -8.61

TUESDAY 1232.11 -4.19

WEDNESDAY 1226.92 -5.19

THURSDAY 1223.28 -3.64

## MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1984	1984	
	Y'day	on week	High	Low	
FT. Ind. Ord. Index	853.7	+16.9	922.8	755.3	Investors ignore dock dispute
Anglo-Indonesian	295	+28	295	174	Int. Inv. Test. Jersey raises stake
Assoc. Dairies	172	+14	184	142	Satisfactory annual results
Blue Circle	410	+25	450	355	Broker's recommendation
Blundell-Permoglaze	188	+22	192	121	Bid speculation
Brit. Aerospace	342	+19	401	216	Awaiting expected GEC bid
De Beers Defd.	447	+19	616	384	Revised U.S. interest
Hall (Matthew)	282	+18	282	220	News of £24m contract
Home Counties News	138	+23	138	110	Bid from Holding Co.
Ladbroke	198	-11	266	182	Disappointing interim results
Memory Computer	75	-120	330	70	Re-stated results
Mountview Estates	318	+46	318	228	Newsletter recommendation
Northern Foods	178	+14	208	160	Vague bid rumours
Pontland Ind.	132	+25	132	55	Good half-year results
Reliance Indl.	21	-12	38	21	Poor annual results
Resource Technology	103	-17	185	98	Persistent selling
Rothmans Int.	160	+16	164	112	Persistent bid speculation
Vesper	210	+17	280	167	Sells 25.2% stake in Yarrow
Whitworth Electric	57	-8	78	50	Lower annual profits
Yarrow	305	+50	350	230	Weir acquires 25.2% stake

# Fighting on Down Under

PERHAPS it was just as well that the recent Australian budget was kind to the mining companies there—notably in leaving the gold operations outside the tax net and in allowing spending on mining exploration generally to be used as a tax offset against income from any other source—because life is still far from easy for them.

Gold prices are satisfactory enough, but the base metal producers will be keeping their fingers crossed in the hope that recent predictions of an autumn upturn in prices of copper and nickel will prove to be correct. Still, things are beginning to improve.

Take the major MIM Holdings, for example. After an awful third quarter when low metal prices resulted in an operating loss, the company has made a sharp recovery in the final three months of its financial year to June 30 thanks mainly to sharply increased sales of zinc and export coal.

This still leaves MIM pre-tax profits for the full year of only \$41.05m (£12.3m) against \$41.59m in the previous 12 months. On the latest occasion, however, there is also a tax credit to be taken into account compared with a net charge last time and this has lifted net earnings to \$47.2m compared with \$39.2m in 1982-83.

Yet the revival in fortunes seen in the final quarter allied to hopes of an improvement in metal prices—enhanced by a net relative weakness of the Australian dollar—could point to a far better performance by MIM in the current year but whether this justifies the current share price is another matter.

The Consolidated Gold Fields group's Australian arm, Renison Goldfields Consolidated (RGC) has been putting a brave face on things this week by pointing to the elimination of its debts, a useful cash balance and a net profit for the year to June 30 of \$810.2m compared with \$86.2m last time when there was also a profit of \$83.85m on the sale of investments.

Here again the tax man has been helpful. Because of what RGC calls "divisionalisation"—presumably a rearranging of operations to offset losses against profits—the past year has brought a tax credit of \$22.1m against a charge of \$2.4m in 1983-83.

At the pre-tax level operating profits for the past year are slightly lower at \$82.2m against \$88.6m. Exploration costs have

risen now that the company has been able to take on Gold Field's half-share of the joint exploration programme—a good investment for the long-term copper prices have remained poor and the excellent Renison tin mine remains shackled by international tin export controls.

On the positive side RGC is enjoying a good market for its beach and minerals, rutile and limeite and its gold production has been expanded. It will probably do better in the current year but the shares seem

## MINING

KENNETH MARSTON

quite high enough for the present.

Now to EZ Industries and Peko-Wallend, each of which has a stake of 30.5 per cent in Energy Resources of Australia, the company which runs the successful Ranger uranium mine in the Northern Territory. Income from this source has helped the companies greatly in the year to June 30.

EZ, which is being taken over by North Broken Hill, has made a lower profit for the year of \$16.6m against \$29.2m. Were it not for the uranium income there would have been a loss because the company's own operations were hit by a series of industrial disputes, ironically at a time when it should have been reaping the benefits of good prices of zinc.

Peko-Wallend, on the other hand, has had a good year with net profits of \$26.75m against \$15.92m. The dividend total is lifted to 9 cents on a capital increased by last year's one-for-five rights issue compared with 5 cents on the smaller capital for 1982-83.

Once more, the tax man helped with a credit of \$1.55m against a previous charge of \$89.75m, but Peko also lifted its operating earnings to \$88.58m from \$91.4m. Major factors were the gold operations at Tennant Creek in the Northern Territory and last year's acquisition of the Robe River company which holds 35 per cent of the Robe River iron ore operation in Western Australia.

The company's interests cover a wide range of minerals, including coal, and there is an industrial side as well. Given only a modest improvement in

metal prices and the Australian economy Peko should be able to further improve its earnings in the current year. Here again, the shares are not cheap and rank as a long term investment.

It is difficult to come to any firm investment conclusion about the shares of Selstrut Holdings, except to say that they may be in the "hope-over-experience" category. This 75 per cent-owned Australian subsidiary of British Petroleum has sold but not very profitable assets, gold exploration prospects and a heavy load of debt. The half-yearly report starts off with the good news that losses at the Agnew nickel mine in Western Australia have been reduced, the stake in the Mount Newman iron ore venture has earned more and so has the company's drillship. In addition, there has been a gain of \$53m on the sale of the exploration and management fixed assets to BP Australia, all of which has left Selstrut with a net profit for the half year of \$23.14m against a loss a year ago of \$4.9m.

The bad news is that "significant losses" are expected in the current half year because of lower iron ore prices (in U.S. dollars), reduced ore grades and nickel production, weak copper prices and a likely reduction in earnings of the drillship.

Just to make matters worse the debt burden is such that Selstrut does not expect a return to profitability from current operations unless there is an "appreciable" recovery in nickel prices. Furthermore, the company is expecting increasing difficulty in servicing its loans which amount to \$412.9m.

Something has to be done to correct the situation otherwise Selstrut forecasts a net cash outflow of \$151m for the six months to end-1984. So investigations continue into ways of restructuring the finances and there is to be an independent valuation of the major assets, the book value of which is thought to be below their current worth.

Meanwhile, shareholders may draw some comfort from the fact that Selstrut is backed by BP, that it has assets of value, a possible commercial nickel find near Agnew and a good grade open-pit gold prospect in New South Wales about which more should be disclosed in the report for the current quarter.

# Thanks for the Memory...

BY WILLIAM DAWKINS

## Unlisted Securities Market

INVESTORS IN Dublin-based Memory Computer experienced the sensation this week of falling into a bottomless pit.

For the jobbers took no notice on Tuesday when Memory, the largest independent computer group in Ireland, announced a dramatic downward revision of its profits for the year to March.

Within hours, the shares had plummeted by 8p to 110p, and continued downward courses to end the week at an all-time low of 70p, where Memory is capitalised at £4.3m, just over half the value it achieved when it came to the USM two years ago.

Memory had been hoping to raise £2m (£1.6m) shortly from a share placing to buy a U.S. computer group. Now it will have to shelve those plans until it can soothe investors' bruised feelings.

But what exactly went so wrong? Memory's unaudited results in June showed that taxable profits had risen by 55 per cent to £1.58m on turnover up by 40 per cent to £110.2m. Touche Ross, Memory's auditors, subsequently refused to agree to the inclusion of the two projects of two major contracts in Detroit and Bahrain because payment had not been received, although the orders had been delivered and invoiced.

As a result, Memory had to reduce its earlier published turnover by £1.5m and its profits by £1.5m to just £176,000—a small fraction of the previous year's figure. The actual profit margin on the deferred sales is not nearly as fat as it looks, since roughly £170,000 of related development costs have been kept in the accounts.

As if that were not bad enough, Memory had already run into trouble over an agreement to distribute micro-

computers in Ireland made by Fortune Systems of the U.S. That ran into technical problems, and Memory had to take back equipment after complaints from customers about software.

It is now involved in legal proceedings against Fortune, and the extraordinary cost of the whole exercise is listed in the June accounts as \$388,000. Pearse Mee, Memory's joint managing director, says the group rushed out its new Memory 55 microcomputer several months ahead of schedule in an attempt to plug the gap left by Fortune and to replace the Fortune machines returned by customers.

The setback was all the more surprising for a company which had seen its pre-tax profits grow smoothly from £1210,000 in 1978 to £1810,000 in the year to March 1983 and had become, until last week, an object of Irish national pride.

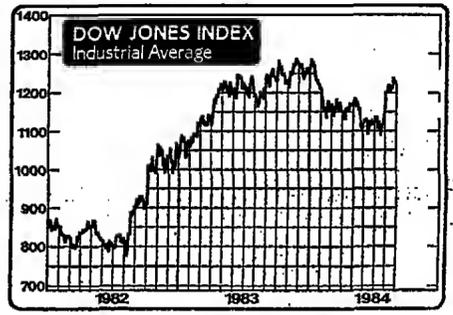
Payment for the controversial contracts has still not been received because it is dependent on the customers, who are both establishing computer manufacturing businesses, starting production.

They have purchased components and licenses to make Memory microcomputers, but the group says their manufacturing plans have been delayed by Touche Ross's inquiries. However, the group says it is "almost inconceivable" that payment will fail to arrive before the end of December.

Not all of Memory's investors, however, have burned their fingers so badly. Well ahead of the announcement, on the previous Friday afternoon, its shares slipped by 25p to 250p on the Dublin stock market.

And London jobbers were puzzled to receive a number of selling orders from Ireland just before they shut up shop for the Bank Holiday.

The feeling in the City is that it would be surprising if the Stock Exchange did not inquire into who pulled out of Memory ahead of the announcement and why. Whether those dealings were legitimate or not, they still invite the question of whether less lucky investors could have been better protected by an early suspension



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# Taking the pledge for fast cash

SEVEN SISTERS Road in Tottenham, North London, provides the sort of location for a pawnbroker that has long kept the middle class away from this line of credit.

With decaying refuse under their feet, a couple of unemployed teenagers break-dance in front of a row of shops. Spectators idly peel off the fading paint from the frontage of the Victorian terrace.

Passing lorries from the east coast ports continually drown the canned music as they crash down through their gears to start the ascent out the Lea Valley to the leafier London suburbs beyond.

On the street corner, two doors down from the betting shop is Thomas L. K. Edwards and Sons, Diamond Merchants, Jewellers. On the side-street is an adjacent door in the same colour with no sign above it — the entrance to the pawnbrokers.

Bryan Edwards manages this and four other pawnbroking shops in London. The business was bought by his father 40 years ago and, like most surviving pawnbrokers, it is a family affair. Both his mother and his son still work with him.

Edwards recalls the heyday of pawnbroking, in the 1930s and during the Second World War. "We used to get up to 3,000 pledges a week," he says. "On Monday mornings the queues would stretch right up the street. Pensioners would come in with their threadbare shoes and pledge their remaining possessions."

He points to the disused warehouse behind his shop. "The welfare state has ended the pawnbroker," he said. "But we still have a useful social role filling the gap when the social security cheque has not arrived and people need money for the weekend."

There is also a regular flow of customers from the pawnbrokers to the betting shop — and, occasionally, back again, if their borrowed money produces a win.

The Seven Sisters Road shop now takes 150 to 200 pledges a week, a number which has risen during the recession. The rules are kept as simple as possible.

The interest rate is quoted at 3p in the £ per month and is rarely changed. There is also an arrangement fee of about £1 per ticket. Pawnbrokers have to start quoting annual percentage rates (APR) only from next May, although as most of Edwards' customers are unbanked, APRs are not likely to mean much to them.

The maximum amount that can be borrowed is £50 or one-third of the value of the article pledged if that is less. The loan has to be repaid or rolled over every three months.

Jewellery is the only acceptable form of pledge. Edwards, like other pawnbrokers, no longer takes furniture, electrical goods or clothes. But evaluating jewellery alone remains a difficult business and Edwards has difficulty in finding experienced staff.

"The average age of pawnbrokers is very high," he says. "We seem to be a dying breed." Potential recruits are sometimes put off by the less pleasant and often drunk customers who demand higher loans — or get angry if their articles have not been sold off by the time they were not redeemed in time. Two

youths on a motor-cycle smashed a shop window a few weeks ago.

The Tottenham shop is similar to most of London's 40 surviving pawnbrokers — down from 700 in 1945.

But there are a few pawnbroking shops which have recently been face-lifted to project a different image and attract the custom of the better-off and more financially sophisticated.

Five miles to the west of Tottenham, in Golders Green shopping centre which serves many of London's wealthiest suburbs, the pawnbrokers' symbol of three balls stands above a shop with a very different look and a different clientele.

The shop front, with a smoked-glass window, is immaculately cleaned and polished. The interior is decorated with potted plants, panelling and landscape pictures on the walls. A selection of magazines is laid out on the table.

The shop is one of 13 belonging to Harvey and Thompson, the only pawnbroker to be quoted on the Stock Exchange's Unlisted Securities Market. The company used to run the shop exclusively as a jewellers until it pulled out of jewellery retailing two years ago.

Since then, according to managing director Lewis Watson, turnover has been rising rapidly and continues to do so. There are some interesting reasons for the shop's popularity.

More property developers and dealers are reputed to inhabit Golders Green and its environs than anywhere else in the country. Such small businessmen often need to raise £5,000 or £10,000 within an hour or two to clinch an attractive deal.

If they had to get an overdraft from their bank, they might have to answer all kinds of questions and wait for

several days," says Mr Watson. "But with us, they can just bring in their jewellery and get the money in ten minutes. Often they only borrow for a few days."

Fleet-footed traders are not the only wealthier customers to come to the shop. "A lot of business and professional people come in here to bridge the gap between paying out and receiving a cheque," says Watson. "It can be the simplest and quickest way of raising credit."

But a price has to be paid for speed and convenience. The shop will lend up to a maximum of £15,000 at a rate of interest of 0.13 per cent per day. This is equivalent to an annual flat rate of interest of 47.4 per cent or an annual percentage rate of 60.7 per cent, which is more than double the rates charged on most credit cards and well above hire purchase rates.

Thus, although the loan extends automatically for six months, you should only consider using this credit line for a few days or weeks at most. Up to 40 per cent of your jewellery's value may be borrowed.

Watson says that most customers are not highly sensitive to interest rates and he has recently been able to raise the APR by nearly 12 percentage points.

All the Harvey and Thompson shops are in London except for two, in the Manchester and Birmingham central shopping centres.

"These days most people have jewellery, and often expensive jewellery," says Watson. "This should increase the demand for our services."

**NEXT WEEK: Borrowing on the strength of a life assurance policy.**



Stepping in with the heirlooms... and out with the money

# Tax on big bridge wins

## FINANCE AND THE FAMILY

My wife and I play bridge regularly with our neighbours (husband and wife) and sometimes we decided that instead of paying or receiving a few pence at the end of the evening we would increase the stakes and buy Premium Bonds with the proceeds with a view to sharing any winnings £0/50.

When it came to buying the Bonds however we found that they could only be bought in the name of one person and since then my wife has bought them on her name.

The enthusiasts are now worried that if we have a big win that the 50% share that my wife transfers to our neighbours will be subject to Capital Transfer Tax. Is this so and how can it be avoided?

So long as you enter into an agreement to share any prize money and record it in writing before a prize is won, Capital Transfer Tax will not be charged when the share-out takes place.

## Charge without warning

It was the practice of my bank to register shares in my behalf in its nominee company without charge. While it was living increases this did give an advantage as far as transfers were concerned but after becoming resident in the UK it was a disadvantage because I never received copies of company reports.

Without informing me the bank started making a charge for registering shares in its nominee account. This only became obvious when I received my bank statement. I instructed the bank to cease using the nominee account and also give me a refund of the charges in date. The first instruction was complied with but a refund was refused. Am I entitled to a refund of the charges?

Provided there was a history of more than one or two registrations in a nominee without charge we think that the Bank would be stopped from introducing a charge without giving you prior warning.

## Unsafe for children

My neighbour's rear fence has broken down, beyond which is open ground. The fence, which was between our two gardens, is almost non-existent. This means that my garden is open to all, plus any stray dogs, etc. I do not want to be bad friends with her, but I have to try to do something, so that my two-year old son does not play in the garden without fear.

## Planning permission

On my land I have a flat, sufficient to build a dwelling upon, which has the foundations of what appears to be an old cottage—built well before the Planning Acts.

What is the fact that prior to the Acts there existed a dwelling upon the land where I might want to build in the future be of assistance in my application for planning permission?

While not giving you any planning rights, the fact that there was formerly a cottage on the site should be a factor in favour of the grant of planning permission if you were now to make an application.

## Tenant on the land

I own agricultural land which has been let to a tenant farmer who passed away recently.

According to the agreement between the tenant and myself he was entitled to 15 months' notice as the tenant is now deceased in this notice, is 15 months, enforceable by his Trustees?

Notice to quit has been served within the statutory three months but the trustees are unwilling to quit, claiming the agreement is still in force. As I wish to sell the land, what is my position?

If the tenancy agreement is not so framed as to restrict the 15 months' notice provision to the person who was the original tenant the contention that a full 15 months' notice must still be given seems to be correct.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

# How to plan a gilt-edged education

THE METHODS of financing an independent school education for your children ought to have been transformed by the changes in this year's Budget.

But from the sales patter and the literature of both the brokers and the schools organisations, you would think that nothing had changed.

A guide published last month, however, by solicitor and pensions expert Robin Ellison seeks to demonstrate that the removal of tax relief on life assurance premiums has ended any attractions life policies may have had as a way of investing to cover school fees.

The use of life assurance has little to do with providing cover in the event of death, but is rather a savings mechanism. Ellison notes that "there is nothing particularly relevant to school fees about these schemes... The 'school fees' angle relates more to the marketing than to the product."

He compares the pay-out from a simple non-insured savings scheme with that from the same level of contributions into an insurance scheme. His figures show that, after allowing for the charges of the insurance company, both a 30 and a 50 per cent taxpayer

would do better using a simple savings plan.

In other words, he suggests that the same level of investment (over seven years, in this case) would cover a higher proportion of school fees if you invested directly in, for example, gilt-edged securities.

His recommendations run counter to the advice given by nearly all the financial advisers who call themselves school fees specialists. When confronted by clients wishing to make regular savings over a long period, they recommend life

## Life assurance may not be the best way of paying school fees. Clive Wolman explains...

assurance (on which they earn the largest commissions).

Even more surprising, perhaps, is that ISIS, the Independent Schools Information Service, also endorses the conventional wisdom. In its latest leaflet, School Fees, it states: "Most parents now have to pay school fees entirely out of income. One of the best ways

of stretching income to provide school fees is to take out a fixed term or endowment life assurance policy."

No other regular savings medium is mentioned. The list of financial advisers and their addresses at the back of the leaflet comprises entirely insurance brokers and companies.

This leaflet was published, with revisions, in May—two months after Budget.

The insurance brokers point out a few possible flaws in the figures calculated by Ellison. He assumes the insurance company pays tax on its returns at a rate of 37.5 per cent, whereas the effective rate is usually well below this because they can offset expenses and convert income into capital gains.

But individuals saving directly can also take their returns mainly in the form of capital gains which are usually tax-free for them, although not for the insurance companies.

Thus a fuller consideration of the tax position would not necessarily give insurance companies an advantage.

Stephen Whitehead, of school fee specialist brokers C. Howard & Partners, emphasises the other advantages of a life policy. The individual can make a monthly standing order and

then forget about further planning until the fees have to be paid.

But if you wish to invest instead in, say, unit trusts, their monthly savings schemes offer similar convenience. Regular investments in Government-gilt-edged securities can also be made simple by using the services of a stockbroker.

Insurance funds, however, do have the remaining advantage that through them you can invest in a wide spread of gilt, international equities and property, if you consider such diversification to be important.

But for those who wish to ensure that they have invested sufficient to cover the school fees, the safest medium is gilts. If your child is due to start a five-year independent school career in the next three or four years, it may be worth investing in a spread of conventional gilts whose redemption dates are close to the time when the termly or annual payments will have to be met.

The drawback with conventional gilts is that they guarantee you only a fixed nominal sum. Yet school fees are likely to rise at least as fast as the rate of inflation, and probably slightly faster (as education is

MINIMUM LUMP SUM NEEDED TO SECURE £20,000 PAYABLE AS TO £4,000 PER ANNUM FOR FIVE YEARS BEGINNING IN 1997			
Schedule	Stock	Cost	Total net return*
£4,000 in 1997	£2,350 Treasury 2% Index-Linked 1996	£2,450	£4,000
£4,000 in 1998	£2,550 Treasury 2% IL 2001	£2,350	£4,000
£4,000 in 1999	£2,450 Treasury 2% IL 2001	£2,250	£4,000
£4,000 in 2000	£2,390 Treasury 2% IL 2001	£2,175	£4,000
£4,000 in 2001	£2,250 Treasury 2% IL 2001	£2,100	£4,000

\* Calculated on latest RPI year-on-year change (+4.5%). Therefore £4,000 is a real return.

Information from Quilter Goodson & Co.

a labour-intensive industry). You may not be sticking your neck out too far if you make a forecast for inflation over the next four years, until the next general election. Then you can estimate roughly what the school fees are likely to be.

Another complication is that, when your savings are put into the gilts in future years, the yields may be less (or more) attractive. The table prepared by stockbrokers Quilter Goodson side-steps this problem by assuming you can invest a single lump sum at the start of the period.

Because the linkage element is tax-free, index-linked gilts are a highly tax efficient form of investment. However, those wishing to invest a lump sum in other types of securities should consider letting their investment return accumulate in a tax-free fund provided by a

charitable trust. Three such trusts, organised by Royal Life Insurance, Save and Prosper and the School Fees Insurance Agency (SFTIA), pay deferred annuities with your investment to cover the school fees.

The danger with these trusts is that their tax privileges could be removed by a future Labour government, thus wiping out benefits. Some of the benefits are in any case eroded by the trusts' heavy administration charges.

Some addresses:  
C. Howard and Partners, 177 Regent Street, London W1.  
Royal Life Insurance, PO Box 20, New Hall Place, Liverpool L69 3HS.  
Save and Prosper Group, 4 Great St. Helens, London EC3.  
SFTIA, 10 Queen Street, Maidenhead, Berks.

"Paving for Independent Education." Duncan Publishing, Hendon, London.



GAZUMPED AGAIN. A strike at the local town hall, your solicitor fails to inform you that you can do a local search yourself, and while you are pleading with the building society to come up with the funds a hasty operator makes the seller an offer he cannot refuse.

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The advantage of using Homex over the traditional methods of buying and selling homes is that you avoid dealing with so many different people.

Once you decide to sell your house, you register with Homex after going to an estate agent. When you are looking for a buyer, Homex recommends and arranges, at your choice, a valuation inspection at a fee of £60 + VAT (in London) so that you know what condition your home is in.

Homex also arranges a mortgage for the potential buyer. These funds are ready if needed. It's solicitor's office checks your title deeds and carries out searches so these are ready for the purchaser.

If your buyer is also using Homex you should save much valuable time. By using computers, Homex can handle a large volume of transactions quickly, and much of the information needed is the same for buyer and seller.

Even if the buyer is not using Homex, the Homex solicitor's

# Cutting home hassle

office offers the buyer's solicitor the information it has gathered on your property, thus saving the buyer time.

If you go to Homex as a buyer, it will arrange a mortgage for you. Once you have found a home, Homex simultaneously arranges a survey at a cost of £138 on a £40,000 home, completes searches and examines the title.

An initial registration fee of £57.50 (including VAT) sets the process of buying or selling with Homex in motion. On completion of the sale, you pay a service charge of 0.55 per cent of the costs if you are a seller and 0.65 per cent if you are a buyer.

That compares with a range of 0.75-1 per cent charged by most solicitors in London. If the sale falls through, and you stay registered with Homex, you lose no money at all. But if you choose to use your own solicitor the next time round you will be out of pocket by £57.50.

Homex guarantees the title deed of every house it buys and sells by giving a direct covenant to the seller or buyer.

This upstages other solicitors, who do not usually give a direct covenant. However such a guarantee is only as sound as the Homex solicitor's office itself.

The major complication of Homex's operation is that it actually buys each house from the seller and resells it to the

buyer in a simultaneous transaction.

Technically the transaction is carried out by the parent company of Homex, Home Factors and Finance, which is jointly owned by 36-year old solicitor Ian Jefferson and 33-year old Anthony Pearce, a chartered civil engineer.

The Homex solicitor's niece, which investigates the title to the property, is paid by Home Factors and Finance.

Such arrangements are crucial to the survival of Homex. Because it acts as a principal in the transaction of buying and selling, in other words by acting for itself, Jefferson believes that Homex is not bound by the legal restrictions on conveyancing designed to prevent a conflict of interest.

Homex is not itself an estate agent. For it to succeed it will have to be promoted by estate agents, with whom the public deal.

It has started working with some estate agents although since they only get a commission of 10 per cent of Homex's service charge, there is no very great incentive for the agents to co-operate.

The laws on conveyancing and home-buying are about to undergo major reforms. In this setting, the relationship between the Law Society and Homex has been fraught with tension.

The Law Society says it views "with concern any attempt by anyone to jump the gun before

these issues are settled by parliament."

In any case Homex is not the best way of cutting the costs of buying and selling. The cheapest way is to do your own conveyancing, if you are willing to spend the time and effort.

"We are not trying to say we are terrifically cheaper because solicitors are now much more competitive. We fall firmly in the middle," Ian Jefferson says.

The cost of the Homex survey, at £138 for a £40,000 property, is not low. It is similar in comprehensiveness to a survey offered by the Royal Institute of Chartered Surveyors which quotes a price range of £103-£130 on a post-1945 £40,000 property, plus incidental travelling expenses.

Homex should appeal to you if you like the idea of a package of services.

But the traditional system has so far frustrated its attempts to break the chain of buyers and sellers, as one retired American in London who is buying through Homex found to his dismay. He welcomed Homex as an American-style approach to house-buying and has no complaints with the company. But he has experienced long delays in exchanging contracts due to the indecision of the seller.

"In the U.S. I could go in anywhere and say that I want to buy this house and that's that, subject to certain steps. Here we seem to go round and round in circles—no matter what you do you can't seem to speed up the process," he says.

Dina Thomson

# Pension help for mobile workers

ONE MAIN theme in the Government's package of pension reforms is to improve the lot of the early leaver—the employee who changes jobs.

Under the present system, departing employee with at least five years' service with an employer is entitled to a deferred pension from his old company scheme. The amount of the pension is based on the period of service with the employer and earnings at the time of leaving.

There is no obligation for pension schemes to increase deferred pensions to take account of inflation other than to revalue the GMP (Guaranteed Minimum Pension) part (the pension equivalent to that provided by the State earnings-related scheme). Schemes have a choice of method of revaluation, by far the most common being a fixed revaluation of 8½ per cent per annum.

The first reform proposed by the Government is to require pension schemes to revalue the non-GMP element of the deferred pension each year in line with movements in the Retail Price Index up to a maximum of 5 per cent.

Neither is there any compulsion on pension schemes to offer employees leaving service a lump sum transfer payment in lieu of a deferred pension, though the latest survey from the National Association of Pension Funds showed that most large and medium schemes do make transfer payments.

The second proposed reform will oblige schemes to offer transfer payments to early leavers.

Thus many early leavers have at present, and all early will have in future, a choice over how to maintain their pension rights when they change jobs.

Either the job changer can leave the deferred rights in his old scheme, or he can take the transfer payment—in which

case he has two further choices.

(a) He can offer the transfer payment to his new employer's pension scheme, if there is one, to secure additional benefits. The new scheme is not obliged to accept the payment, however, and the Government is not proposing to make acceptance obligatory. These additional benefits usually take the form of extra years of service of the employee in calculating the pension entitlement. However, the extra years offered will, as a rule, fall far short of the number of years of service in the previous scheme.

(b) He can invest the transfer payment in a buy-out annuity from a life assurance company. The buy-out annuity is the latest addition to the range of personalised pension contracts, only receiving official blessing under Section 32 of the 1981 Finance Act. The theory behind it is quite straightforward. The employee invests his lump sum transfer payment and the life company invests in a tax exempt fund making the benefits available at retirement. But in practice it is not quite as simple as this.

The buy-out annuity is a company pension arrangement and the benefits under the contract have to be aggregated with the employee's other company pension benefits and the overall benefits must fall within the limits set by the Inland Revenue. For example, the pension cannot exceed two-thirds of final salary, and the cash commutation must not exceed 1½ times final salary.

On the other hand, the buy-out quotation will often show the projected cash accumulation—a figure that looks more like a telephone number than an investment payout. Again, no attempt is made to adjust for inflation. The quotation assumes, moreover, that the high investment returns of the past few years will continue for the next 30 or 40 years.

It is not an easy choice for the early leaver to make and he should discuss it with the trustees of his old scheme or a reliable intermediary—such as a registered insurance broker bound by a code of conduct.

Eric Short

0924 601350



# Store chieftain

BY ZARA STEINER

**Wilfrid Israel: German Jewry's Secret Ambassador**  
by Naomi Shepherd, Weidenfeld and Nicolson. £12.95, 391 pages

It is appropriate that this biography of Wilfrid Israel should appear at the same time as the literary world is celebrating the 80th birthday of his friend Christopher Isherwood. It was Isherwood who first aroused interest in this remarkable figure of his time through the portrait he drew of him in his *Goodbye to Berlin* as Bernhard Lauer. He was depicted there as a world-weary young Jewish businessman who sleeps with a sadistic Buddha at the foot of his bed.

Europe. It was while returning from a desperate mission to Portugal and Spain in 1943 armed with 200 immigration certificates for Palestine and hopes of saving children from Vichy France and the Balkan countries that Israel was killed, a passenger in a civilian plane carrying others the actor Leslie Howard shot down by Luftwaffe fighters, possibly on the prow of Churchill due to make a flight at the same time. Israel was at first not even named and the writer of his Times obituary had as little idea of the real story as had Isherwood.



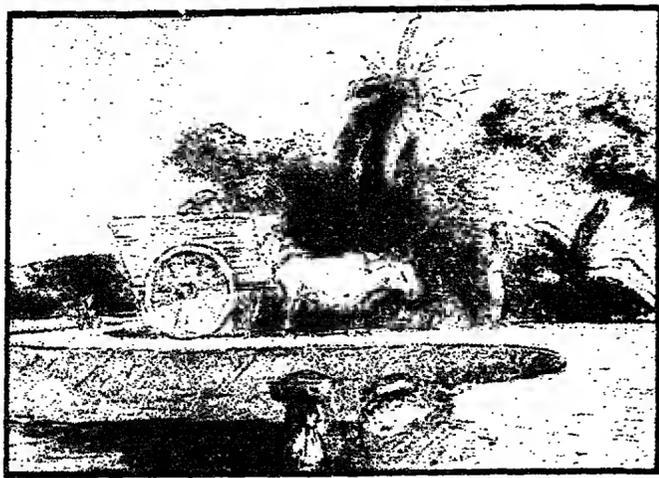
Wilfrid Israel: secret lives

Naomi Shepherd has produced a book that is fascinating to read and hard to fault. Israel was a silent and mysterious figure. He left no private papers; his intimate friends had no idea of his public work and knew little of each other; his professional colleagues and his contacts, including Adam von Trott and the rescuer of Christians of Jewish origin, Laura Livingstone, associated him with only one of his many roles.

and even under-stated but authoritative reports was, as an adviser on German affairs at the Chatham House, arguing against the dismemberment of Germany and speaking for the claims of the "other Germany." No single individual knew the real story of this man. Naomi Shepherd has pieced it together from interviews, memoirs and biographies and from prodigious work in the archives of London, Geneva, Jerusalem and New York. The result is an authoritative but well-proportioned account that reads like a detective story.

The author has not only rescued Wilfrid Israel from the shadows; she has told from a new perspective the tragic story of the reaction of the outside world to the news of the Nazi atrocities against the Jews. The official British authorities were only somewhat marginally more humane than their admittedly far less exposed American counterparts. The Jews themselves, especially the Zionists, in the United States and in Palestine, could not and would not face up to the true dimensions of the tragedy while there was still time to act. About half of the 60,000 Jewish children in the Third Reich escaped from Germany, one-third reaching Britain in what was both a humanitarian gesture and a political manoeuvre designed to lessen pressure on Palestine. Despite the promise of release for emigration from Heydrich, only 433 children reached the United States before the war.

This account of Wilfrid Israel's activities in London after his arrival in 1933 confirms the harsh portrait of the Foreign Office found in Bernard Wasserstein's *Britain and the Jews of Europe, 1939-1945* and also suggests that life in the British internment camps was more bitter than sweet for most inmates. There are a few heroic individuals, Frank Foley, the SIS agent-passport officer at the British consulate in Berlin responsible for the rescue of German Jews in numbers well beyond what was officially permissible, who Wilfrid Israel himself, should be named and honoured. This is a readable and instructive book.



'A Road in Mysore State, India'—a detail from the painting by Arditzone, reproduced in the book reviewed below

# British artist in India

BY K. NATWAR-SINGH

**Indian Diary: 1952-1953**  
by Edward Arditzone. The Bodley Head. £13.00, 159 pages

The Raj is no longer a disease. It has become an epidemic. It is part of showbiz where anything goes—indifferent films, second-rate 19th century novels about India converted into excruciatingly bad TV films. So far supply and demand are keeping pace. One prays that sooner rather than later the law of diminishing returns will prevail and we shall be spared further goopy nostalgia for the Raj.

India to take part in a Seminar for the Production of Audio-Visual Aids for Fundamental Education. He and three other colleagues spent three months in Delhi and Bombay. Some of the outstanding ones in these four gentlemen is available in the archives of UNESCO, which must be something of a record since the United Nations and its specialised agencies have converted the accumulation of paper into a fine art.

Throughout his stay in India Arditzone kept a diary. Its embarrassing candour is hard to stomach and reveals a linguistic barrenness, which is fatal for a diarist. No individual character, no place, no event ever comes alive. There are no arresting insights. Only unremitting penulgence and the daily record of trivial non-happenings. He says not a word about the tremendous political, social, economic ferment and excitement of the decisive years of the early Nehru era.

But when we come to the sketches in the book, one gets a totally different impression. Some of the outstanding ones invite comparison with Topolski at his best. They are original, spontaneous, fresh, poignant, amusing, melancholy. They are distinguished by simplicity, clarity, a lightning clarity of line. They stand on their own and do not need the commonplace text that accompanies them.

A superb draughtsman with a very keen eye, Mr. Arditzone, I regret to say, did not carry enough intellectual gunpowder to be a memorable diarist. Reading his book left me with a feeling that he did not possess the talent for setting on terms with people outside his own circle which is indispensable for understanding the complexities and variety of the Indian sub-continent.

# Fiction All over

BY NIGELLA LAWSON

**The Laughter in Carthage**  
by Michael Moorcock, Seeker and Warburg. £9.95, 603 pages

**The Fabulous Englishman**  
by Robert McCrum, Hamish Hamilton. £8.95, 273 pages

**Happy Trails**  
by Adam Shand Kydd, William Heinemann. £7.95, 183 pages

**Circles in a Forest**  
by Dalene Matthee, Viking. £3.95, 378 pages

Set in Constantinople, Otranto, Bergamo, Rome, Milan, Paris, Vienna, Prague, New York, Washington, Memphis, San Francisco, an unnamed part of the Middle East, the Western Isles, the African Kynna Forest, London, and East Anglia, these novels, between them, certainly cover a lot of ground.

1960s star extinguished by the 1980s, or he has dried up or he has sold out.

Look at us now. Mr and Mrs Iles of Widdoworth (the good pair), with our three children (at the local state schools), our five-year-old Volvo (family size), our annual holidays (Cornwall or Donegal), our friends (A1/B1), our progressive metropolitan tastes (subsidised theatre, supermarket wine, art movies), our three Sunday newspapers, and our walled-in emotions. This is what we have settled for. He is hating it.

Fashionably, this book is about writing about writing about writing. Supposedly written in collaboration with Des, my friend who chooses anonymity and who is tediously unlike and yet in ways comparable to the Ur-author—reducing himself to an editorial dogbody—in a publishing house whose archives are, coincidentally, in Harlow.

Since 1968, Iles has been in correspondence with Peter Cisar, a Prague bookeller who waxes Iles's help with the bibliography of English and American literature he is preparing. Partly out of vanity, partly because he is mourning the loss of Milena, his great love, also from Prague, he writes back. In the course of his correspondence he finds out that Milena was Cisar's daughter, and a strange, intimate relationship grows up between the two letter-writers.

When a letter arrives, suggesting a meeting in Vienna, Iles at once sets off. Cisar mysteriously doesn't keep the appointment, but Iles meets Dr Kuhn, traveller, polyglot and wheeler-dealer of obscure origins, whose "autobiography" Iles unsuccessfully plans to write. Nevertheless, his friend or narrator convinces him to go to Prague as planned and there the strange jigsaw of the past years—Milena, the letters, his fascination with Czech politics—is pieced together.

*The Fabulous Englishman* is certainly not the chronicle of an inner journey, a spiritual resolution, a quest. Prague has an obvious symbolic value, but McCrum writes about the actuality of Czech politics with vigorous commitment and as convincingly as his picture of fear and love in SW16.

*Happy Trails* by Adam Shand Kydd employs a curious mixture of literary devices, intentionally or otherwise. Either it is a social comedy with an implausible plot or it is an exercise in the fantastic with a winking nod at the realistic mode.

Local squire and pillar of the community, Josh Iles, with Sammy (retired fairisle sweater designer and romantic novelist writing under the pseudonym Dolores Juana) in a rectory in East Anglia, Josh's drop-out niece, Venetia and her rebellious boyfriend Cal come to stay for a weekend and their



Dalene Matthee: conservation story



Robert McCrum: back to Prague

visit, unwelcome from the start precipitates an unforeseeable chain of events involving robbery, blackmail, conspiracy and international terrorism.

The structure of the book is carefully thought out; night-mare action and reaction is cut through with flashbacks to a more soothing domestic past. There are inconsistencies of style; at times it is unclear whether the narrative voice is meant to be the author's or one of his characters; ambiguous relative pronouns can obscure meaning. But Adam Shand Kydd's talent lies in his nicely furnished visual imagination, his skilful setting of his stage; the characters are well-managed, the prose well-choiced.

After excursions into various subcultures, their characters' behaviour influenced by cocaine, marijuana, DFL88, largactyl, tranquise or simply urban malaise, even wildlife in the African forest can seem a humane tame. *Circles in a Forest*—a plea for conservation—is written with the best intentions and its sentiments are the noblest, but it does make for dull reading.

The fiction is reminiscent of novelist Red Indian: "When the big tiredness was in a man, you did not bother him with anything." The story concerns an upright, unyielding tough-guy who starts off penniless, unloved and unloved and ends up rich, successful in his mission and with the girl he loves.

# Celluloid styles

BY NIGEL ANDREWS

**The Age of the Dream Palace: Cinema and Society in Britain 1930-1939**  
by Jeffrey Richards, Routledge and Kegan Paul, £19.95, 324 pages

**Zanuck**  
by Leonard Mosley, Granada. £12.95, 534 pages

**Abel Gance**  
by Norman King, BFI Books. £12 (hardback), £5.95 (paperback), 248 pages

There is something almost mythic about Britain's cinema history: not as a tale of greatness and achievement but as a tale of seraphic persistence in the face of near-impossible (and often self-inflicted) odds. Jeffrey Richards' admirable *The Age of the Dream Palace*, a history of British cinema in the 1930s, shows that even in the popular heyday of moviegoing in this island—when more people went to the cinema than at any time before (and certainly than at any time in recent decades)—the British government and the industry's own self-appointed quangos were busy making life Hell for the film-maker.

Richards, who scrutinised British moviedom's past shrewdly in his last book *Visions of Yesterday*, has chosen the 1930s for study because of the momentous series of collisions it recorded between picturing and propaganda. As those proverbial World War 2 stormtroopers gathered, pains were first of all taken to prevent the cinema from saying anything nasty about Germany under Hitler (while appeasement was the policy) and then, when war was inevitable, from saying anything nice about them.

This Richards shows in four excellent chapters about censorship, was the culmination of a whole decade of overt or covert "guidance," whereby Britain's cinematic self-image was single-mindedly, sometimes scabrously monitored and moulded: from ensuring that the proletarian fervour of Gracie Fields (for ever uniting the mill-hands in song and solidarity) never got too fervent, to catapulting thoroughly pukka images of British decency like Leslie Howard and Robert Donat out into the movie firmament.

Of course conspiracy-theory criticism (backed up here by the Marxist maxims of Gramsci) is a perilous area. And at first one is tempted to protest that Richards's visions of British cinema as a Prometheus bound-by-propaganda doesn't reckon with the subversive reek of

a good director who can throw sparks of rebel life into even the most shackled of scripts. But then one realises that there weren't that many good directors in Britain in the 30s who could perform such a Pygmalion feat: directors like Lang in Germany or Renoir in France.

With notable exceptions like Hitchcock and Powell, cinematic imagination in this country—formed by too much great literature and too little great painting—has always tended to fire at script stanzas and decelerate at shooting stanzas: seldom disturbing the staccato of the talking head with the splendour of the symbolic image, or allowing the vocable to be upstaged by the vision.

His thesis thus waterprooofed, Richards makes a perceptive and well-researched journey through this fascinating decade: where Gracie Fields shrills out "Sally," Formby strums his naughty ukulele and Jessie Matthews is a poor little millinairess with unstopable feet; where Anna Neagle glares in concrete costume pines and where the eternal British ideal of a clean, non-nonsense art (shading when possible into outright philistinism) was summed up in Stanley Baldwin's unforgettable description of the "intelligence" as "a very ugly word for a very ugly thing."

Frequently a harsh phrase lights up this portrait of an age (I especially like Richards's description of Old Mother Riley as a case of "body language gone berserk"); but mostly the author goes for scholarship rather than showmanship, and as a movie reference work the book is indispensable.

Darryl F. Zanuck, erstwhile chief of Warner Brothers and 20th Century Fox, comes low down on my list of favourite movie moguls. He had all the least appealing traits of the breed, from the dictatorial manner to the cast-iron treatment of young stars, and fear of the redemptive qualities of making memorable film: Leonard Mosley's Zanuck, however, trots out a life busy with anecdote, scandal and vainglorious ambition, and the book should please addicts even if it doesn't make too many converts.

In Norman King's *Abel Gance*, the director of *Napoleon* gets the avant-garde criticism treatment of "house-painter, haggard, and 'intra-theatrical looks'" by thick and fast—and survives it remarkably unscathed. So will you, if you take a good machete to hack through the prose. There are some fascinating shot-by-shot scene analyses and here is a glance at Gance through critical, not merely adulatory, eyes.

# Walls with ears

BY ALAN CANE

**Bugging: A Complete Survey of Electronic Surveillance Today**  
by John Wingfield, Robert Hale. £10.95, 182 pages

Spare a thought for poor Hazel Bishop Cosmetics. Rightly suspicious because it was consistently being beaten to the punch by a competitor, it employed a private detective in 1955 to check for eavesdropping devices in its corporate offices.

By misfortune, it selected the man who had originally installed the bugs and wiretaps—several in their headquarters' offices and one on the president's home telephone.

The investigator's report naturally gave the company a clean bill of health. The continuing leakage of information cost Hazel Bishop \$50m in a single year before it was plugged.

The fact that the Hazel Bishop story is public knowledge simply adds insult to injury for that unfortunate company. Very few organisations or individuals are ever prepared

to admit they have been victims of illegal surveillance so the Hazel Bishop gaffe has become the classic business bugging story. Communication Control Inc., the surveillance specialists, use it in its advertising material.

John Wingfield tells it again in his treatise *Bugging*. Mr Wingfield is undoubtedly a competent surveillance consultant, but his book is neither technologically detailed enough for the serious or has it enough anecdotal material to make it racy reading for others.

This is almost certainly because of the reticence of the bugged and the buggers. Mr Wingfield writes of equipment now being used by intelligence services: "Any assessment of current developments in this field can be little more than extremely risky speculation."

He restricts himself therefore to the kind of gear you can buy at your local spy-shop, directional microphones, radio bugs, infinity transmitters and so on.

He discusses the threats to businessmen in the very life of the characters. And the characters, however concisely they must be presented, always do have a life, a recognisable context. Not least of this author's virtues is her sober, stylish prose.

# Crimes

BY WILLIAM WEAVER

**Green Trigger Fingers** by John Sherwood, Gollancz. £7.95, 138 pages

Pinkie widow goes into the garment business in a poisonous village. Her hybrid primrose exerts a lot of envy, but that is not what causes the murders. Sherwood tells a taut, wry story of local emities, family skeletons, and—non incidentally—horticultural curiosity.

Celia Grant, his green-thumbed sleuth, is a charming invention: one would like to meet her again.

**A Lovely Way to Die** and other stories by Celia Fremlin, Gollancz. £6.95, 151 pages

The murderous short story is the most difficult of genres, and



# Red Scots bard

BY ISOBEL MURRAY

**The Letters of Hugh MacDiarmid**  
edited by Alan Bold, Hamish Hamilton. £20, 916 pages

Despite the tendency in London-based literary journals to ignore matters Scottish, Hugh MacDiarmid has been accepted virtually everywhere as an important poet. Critics will continue to value differently the different parts of his poetic oeuvre, but it is safe to say that at least the early Scots lyrics and *A Drunk Man Looks at the Thistle* have achieved wide recognition.

MacDiarmid himself agreed with the highest estimates of his own poetry, and once went so far as to lament implicitly to me that there had been no great English poet this century—the

Gaelic poet Sorley MacLean and MacDiarmid himself were Scots, Yeats was Irish and "Tom Eliot" American.

But there is another MacDiarmid, also important, or at least hard to ignore. This is the combative MacDiarmid, the cultural revolutionary, the polemicist. This MacDiarmid never lost an opportunity for battle, especially in public, as the long section of "Open Letters" to the Press in the volume under review bears witness. MacDiarmid did battle for his view of Scottish literature, for his use of Scottish language, for the Nationalism and the Communism that embarrassed or confused so many of his admirers.

This MacDiarmid combined the ancient Scottish "byting" of his enemies with self-justifica-

tion and self-praise: his denigration of Edwin Muir, for example, is distasteful in its tone and apparent inhumanity. Angry over Muir's views on the limitations of Scots as a literary language, he wrote in 1936 that he had "no use whatever" for Muir's pretensions as poet or novelist, and in 1936 still poh-poohs the poet and his saintly amazement, and goes on: "I do not believe he had any intellectual integrity at all."

Other attitudes were elitist and unloving; his Communism was not based on humanitarianism: "There is scarcely anything that appeals to any considerable body of people that I have anything other than contempt for."

Since MacDiarmid was a massive correspondent, and repeatedly returned to his intellectual convictions, this side of his personality tends to outweigh the human touches found when he writes from Sheilad desperate for a pair of blankets or apologies to Neil Gunn for asking him to stand as godfather: "I am fully conscious of the enormity of this request—but it won't happen again."

Indeed I find that the impact of reading right through this vast volume is that the combative MacDiarmid is mostly uppermost, and the great poet with whom I began is less apparent. How does this come about? Perhaps this volume comes too soon after MacDiarmid's death in 1978—many of the letters clearly have not yet surfaced or have not been entrusted to the present editor. While we have a large, attractive and valuable collection to George Ogilvie, a school master, there is just one note to the poet's first wife, and nothing to the second, or to any of his children, and none to the quondam friend Edwin Muir, and again none to his permanent supporter Norman MacCaig.

The letters, calamitously it seems to me, are arranged by correspondent, so that it is virtually impossible to see how MacDiarmid is developing at any one time, and the index is unreliable and confusing.

# BOOKS OF THE MONTH

Announcements below are prepaid advertisements. If you require entry in the forthcoming monthly publication should be made to the advertising department, Bracken House, 10 Cannon Street, EC3P 4BY. Telephone 01-248 8000, Ext. 7064. Order and payment for books should be sent to the publishers and not to the Financial Times.

**Executive Action Guide to Franchising**  
Unique guide offering the facts on how to make franchising work—its pros and cons, how to choose a franchise and what you can expect. Contains case histories, self-assessment charts, useful addresses and franchise evaluation charts. £14.95 inc p&p

**International Hotel Guide 1984**  
37th Edition, with full information on 2000 hotels in 134 countries. The Guide is an essential aid for business and leisure travellers. Prices, location, sporting facilities, credit cards accepted, menus of restaurants, conference facilities section etc. £12.95 inc p&p

**International Hotel Directory 1984**  
This index gives detailed information on 2000 hotel openings in 134 countries committed to comply with the conventions agreed between IHA and Universal Federation of Travel Agents Associations regarding relations between hoteliers and travel agents. £26.00 inc p&p

**The IHA World Directory of Travel Agents 1984**  
This index gives detailed information on 2000 travel agencies in 134 countries committed to comply with the conventions agreed between IHA and Universal Federation of Travel Agents Associations regarding relations between hoteliers and travel agents. £26.00 inc p&p

**International Hotel Association**  
88, rue du Faubourg Saint-Honore 75008 PARIS  
Tel: 01-22 48 52

**Automation, work organisation and occupational stress**  
Containing the working papers, report and conclusions of a meeting convened to study the far-reaching effects of automation on employment, work organisation and working conditions which cause much stress. £7.00

**Small-scale maize milling Technology Series**  
Technical Memorandum No. 7. Provides detailed technical information on the design and construction of a small-scale maize mill, including grain selection, chaffing, milling, sifting and packaging. £5.45

**Industrial Performance Analysis 9th Edition**  
Revised and updated the 9th Edition of Industrial Performance Analysis analyses 140 industrial and commercial sectors in the UK giving detailed data on the relative performance of each industry. Provides an invaluable insight into the health of Britain's industrial base. £22.00 inc p&p

**ICC Business Rating**  
28-32 Gower Street London EC1R 4DB  
Telephone: (07) 253 3300

**Towards self-reliance: A programme of action for refugees in Eastern and Central Sudan**  
Edited by A. Serr-Avud

The outcome of extensive field surveys and research analysis in the Sudan of income-generating activities for refugees. It surveys the conditions and constraints of the economy and labour process. ISBN 92-2-103750-3 £13.95

**Labour markets in the Sudan**  
by I. El-Sagr, J. Coy, A. Abdel, G. Ali, T. Bennett, J. Ghosh

Considers all major economic sectors and the inter-linkages bringing them together. The influence of investment, trade, labour emigration and economic stagnation on the functioning and dynamics of central items. ISBN 92-2-103749-5 £13.95

**Women, work and demographic issues**  
This is a report of an international seminar. Its programme and outcome was to explore women's economic contributions, their roles, fertility, family planning and employment, with information for policy formulation. ISBN 92-2-103686-8 £5.20

**Industrial Performance Analysis 9th Edition**  
Revised and updated the 9th Edition of Industrial Performance Analysis analyses 140 industrial and commercial sectors in the UK giving detailed data on the relative performance of each industry. Provides an invaluable insight into the health of Britain's industrial base. £22.00 inc p&p

# Gospels

One of the bestsellers of the past two years has been William Laughton Lorimer's translation of *The New Testament in Scots* (Southside/Carnogate. £17.50, 476 pages), which is now in its third impression.

Lorimer, who died in 1867, was Professor of Greek at St. Andrew's University. His belief that spoken Scots would illuminate the New Testament in a unique way led him to undertake single-handed the labour of this translation. Its astonishing vernacular vigour may be sampled in this one sentence from Mark: "At that the spirit loot a loud skraich an' efter ruggin and rivin him sair, cam out o him."

A.C.

Handwritten note: JPK vol 150

# 200 YEARS NOT OUT

**VIYELLA**—a name that is as English as cricket and afternoon tea and very nearly as old. This year it is just two hundred years since William Hollins and four other enterprising Nottinghamshire businessmen founded the business that was to produce the world's first branded fabric—that inimitable combination of 55 per cent merino wool and 45 per cent long staple cotton that the world knows as Viyella. The name came from the valley "Vi Jella" where one of the mills was built and though today the fabric may seem an inextricable part of the commercial scene, it took many years of experimenting before William Hollins and his merry men were satisfied that they had found a yarn that would retain the best qualities of both wool and cotton and yet be strong enough to stand up

to the rigours of machine weaving. The archetypal image of Viyella is one linked with the world of enchanted childhood—of angelic children in that safe, secure haven of the nursery, in smocked dresses with little white collars and creamy white shirts. A look at the output of many of the great designers in the world shows that nonetheless plenty of grown-ups have been beguiled by its charms.

From Yves St Laurent to Geoffrey Beene, from Emanuel Khan to Ralph Lauren,

from Gianni Versace to our own Wendy Dagworthy and Gina Fratini, most of the great designers have been unable to resist at least a flirtation, if not a full-blown love-affair, with the fabric.

This year the Laura Ashley winter catalogue, already featuring through the mail-boxes, stars several Viyella-based designs, using it for soft dark skirts and comfortable earthy smocks. Ally Cappellino uses it for patchwork shirts and roomy, up-to-the-minute trousers. Caroline Charles turns it into demure day-dresses, crisply collared in white, while Jasper Conran uses it for his maternity wear.

At the Scotch House, there is a new collection of unisex mix-and-match pyjamas and dressing-gowns using traditional

Viyella patterns like the famous Medallion and Grouse.

And whereas once upon a time Viyella only sold the cloth, it has for some time now produced a range of clothing itself under a whole series of labels from Viyella Limited Edition and Londonpride to Viyella and Viyella House.

Those who wish to see the complete Viyella look for women will hurry along to the newly-opened Viyella shop at 20, Brook Street, London W1, where what is called a "complete, co-ordinated wardrobe" is on sale. There you will find a look that is a trifle neat and staid (not to say old-fashioned) for my taste but all of it is made up in wonderful fabrics. Favourites in the range include the simple round-collared blouses which a famous fashionable personage is rumoured to buy by the handful and the knits in a knitting yarn made to the original Viyella specification of 55 per cent wool and 45 per cent cotton. (This knitwear will therefore, of course, coordinate exactly with the colours of the Viyella fabric that is used to make men's and women's shirts).

If it doesn't seem impudent of me to say so, I think Viyella are best to leave the clothes-making to others—or get some better designers. The fabric itself is beyond compare—in the hands of some of today's most successful designers (whether 'haute' like St Laurent or eminently accessible like Laura Ashley), it is infinitely desirable, a garment to treasure. In the hands of pedestrian designers it looks... well, pedestrian.

Those who dressmake have long known of the advantages of the fabric itself—not only are its traditional designs eminently in line with the current mood but it is a joy to wear and to wash.

The original formula of 55 per cent wool and 45 per cent cotton has now been joined by other additions to the family—there is a pure wool (about £11.95 a metre) in traditional tartans, houndstooth and glen



● To celebrate the 200th anniversary of its founding Viyella has launched a new house check in elegant combinations of navy with stone and red in the original formulation of 55 per cent wool and 45 per cent cotton as well as in a pure wool version. Here it is seen made up in an elegant day-dress, crisply collared in white, from Style pattern 422A. The dress takes 2.9 metres for a size 12 which sells at about £12 a metre.



● Photographed above is one of the best of the new range of separates which comprise the Viyella Limited Edition range. A roomy double-breasted blazer in a navy mix pure wool tweed, it is fully lined and costs about £50. It co-ordinates with the trousers (about £47), the cream shirt (about £25) and the scarf (in Viyella's new anniversary house check, in pure silk it is £33). The complete range can be seen at the new shop at 20 Brook Street and other shops within shops.

● A look to make yourself that is up-to-the-minute, comfortable and easy to wear. Using Vogue pattern 1408 make a relaxed shirt with an elasticated waist, and a top which has a dropped shoulder line and a mock-fronted vest. Three different Viyella fabrics are used—two checks (about £7.95 a metre) and one plaid (about £6.95 a metre).



checks, as well as other checks and stripes. Then there is a pure cotton—which, alas, isn't sold to home dressmakers, just to manufacturers. Viyella Challis is a new lightweight dress fabric, also made from 100 per cent pure wool, it falls beautifully and is generally

thought to be ideal for dresses and skirts. This, too, is about £11.95 a metre, and comes in a selection of traditional Persian and floral designs as well as some co-ordinating plain colours and abstract patterns. Finally, specially to commemorate the anniversary,

Viyella has just launched a new "house" check—this is probably of more significance to the company than to the average customer but the check is certainly in the company's true tradition, being an elegant combination of navy, beige and red.

Viyella fabrics are to be found in department stores all over the country and there is a whole host of patterns which can be used to do full justice to its qualities. Shown photographed on the page are just some of the Viyella options around at the moment.

## BLUEBERRIES COME TO BRITAIN

BLUEBERRIES are probably the least well known of all the hardy edible fruits that can be grown profitably in Britain. They are relations of the cranberry, which grows wild in Britain, but all blueberries are native to North America and the varieties that are most suitable for cultivation here have all been produced in America from one species, the highbush blueberry, *Vaccinium corymbosum*.

Much of the development was done at Whitesbog, New Jersey, in the years between the wars by Dr F. V. Colville working for the U.S. Department of Agriculture. I can still remember my astonishment when I first saw an exhibit of his varieties at a Royal Horticultural Society show in the late 1950s.

The branches shown carried clusters of large plum blueberries which looked delicious but so one seemed to have much idea how successful they would prove in our conditions. Well I caught up with some of those same blueberries this summer, several acres of them, in the Dorset market garden of James Trebaine and Sons at Hampreston, near Wimborne, and there was no doubt that they were doing very well indeed.

They were big bushes, about 6 ft high and nearly as much through, carrying a fine crop of fruit for which I was told there was a good demand. But after talking to the growers and studying the little pamphlet on highbush blueberry culture which the firm has prepared (it costs 25p including postage) it became clear that profitable commercial blueberry cultivation is only practicable in a relatively few places and those not likely to be the ones associated with the commercial cultivation of other fruit crops.

The explanation is that the highbush blueberry requires a very acid soil, between pH4.5 and 5.0, and that, though it is relatively easy to raise the pH of soils, it makes them less acid or more alkaline by adding lime or chalk, it is much more difficult to lower it, i.e. make soils more acid, without running into other problems.

It can be done with finely powdered sulphur but it can take anything from 12 oz to 2½ lb per 100 sq ft of sulphur to lower the pH of a soil from 6.5 to 5.5 and even that is not enough for blueberries.

Private gardeners working on a small scale may be able to

carry out soil treatment of they may, and apparently many do, decide to grow blueberries in tubs or in polythene lined holes filled with a mixture of acid soil and peat of the Arthur Brown's compost for ericaceous plants but that would not be practicable on a commercial scale.

But for anyone with a poverty-stricken stretch of acid heathland highbush blueberries might open up entirely new prospects for profitable fruit production. The Trebaine blueberry field occupies poor, naturally acid



GARDENING  
ARTHUR HELLER

soil that was once woodland and the plants clearly love it.

There are other peculiarities about blueberries cultivation, some favourable, some not. The bushes do specially well if the soil is top dressed with sawdust which helps to maintain acidity, retains moisture without causing waterlogging and in some mysterious way benefits the plants.

It also almost completely checks the growth of weeds if a five-inch-thick layer of sawdust is put down in spring and there is then no need for any other routine cultivation, which is an advantage since many of the blueberry roots are close to the surface.

The occasional weed that does manage to struggle through the sawdust can be killed by spraying or dusting with a herbicide such as Weedol, Rumbleweed, Roundup or Casoron G, but care is required to prevent drift of liquid herbicides as the stems of blueberries are green and susceptible to injury.

Blueberries also appear to be remarkably little attacked by pests and diseases except for birds which are ravenous for them. Blackbirds and thrushes are said to be the most damag-

ing and though the big field that I saw was totally unprotected against them and had plenty of trees around to provide nesting places for birds I was assured that small areas must be netted throughout the time when the berries are ripening from July to September.

Though blueberries grow wild in soils that are very poor, when cultivated they need to be fed to ensure heavy crops of large fruits. The recommendation is that either John Innes base fertiliser should be used, which could be rather expensive, or that the bushes be fed with a compound fertilizer with about a 10:10:10 analysis with sulphate of ammonia as the source of its nitrogen.

This is considered important because blueberries use the ammonia form of nitrogen more quickly than any other. Since sawdust tends to lower the nitrogen availability in soil, extra quantities of sulphate of ammonia should be given when big sawdust mulches are used.

As to pests and diseases the Trebaine experts say that in 30 years of growing blueberries they have had to spray only twice and once that was due to a mistake of their own in leaving some winter moth infested wood around.

Framing is simple though it may need to be varied a little according to the variety grown since they differ in habit. But basically the aim is to cut out some of the noisiest stems each winter to maintain the vigour of the plants.

There are many different varieties but the three that are recommended by Trebaine are Berkeley, described as spreading with broad leaves and enormous clusters of very large sugar sweet, pale blue berries; Bluecrop, slender and upright with light blue berries and Coville, late ripening and stiffly upright with large dark berries. Commercially highbush blueberries are planted four or five feet apart in rows 10 ft apart but in gardens 6 by 6 ft spacing is recommended.

Blueberries can be used in a variety of ways and there appears to be a growing demand for them in the shops which is probably why more and more people seem to be considering growing them.

I came home from Dorset with two punnets of fine fruits which I boiled very briefly (they quickly go to mush if one is not careful) and served with cream. They were delicious.



● From Jo-an Jenkins book, *Decorating Furniture*, an old kitchen table and a junk shop bentwood chair, left, have been transformed by imaginative decorative treatment. The shimmering kaleidoscope effect was inspired by the background in a David Hockney painting and was achieved by using tiny patches of colour dotted on with a fine brush. The patches of colour (in blues and pinks and mauves) all overlap. The chair has been revitalised by giving it a woodgrain effect in shades of blue. Both are splendid examples of old techniques being used to achieve a totally modern and up-to-date effect.

● A whole chapter of Jo-an Jenkins book is given over to stencilling and there is no end to the list of things she suggests you might have a go at revamping in this way—everything from kitchen tables, to old office desks, cast-off chests of drawers and kitchen cabinets. Certainly, many of the smartest and most recent kitchens I have seen have been sporting the kind of naively pretty designs that took Colonial America by storm. Photographed left is a series of plain cabinets enlivened by stencilled butterflies and flowers.



Sketched here is a selection of some of the charming stencilled objects to be found at Carolyn Warrander's shop at 1 Ellis Street, London SW1.



● Above is a cream calico cushion (and this is a good time to remind you that fabric, of course, can be happily enlivened with stencill designs) with a pretty floral pattern. Available in blue and yellow or red and green versions, the cushion is £19.99 (p&p £1).

● Left, is a sturdy wooden tray sponged apricot pink and blue and then embellished with soft pink, blue and green leaves, flowers and butterflies. It can, however, be decorated in a whole range of other colourways and designs. One of London readers can write and ask for mail order details if they enclose a see. The tray is £24.50 (p&p £2.75).

● Right is a collection of ceramicware much of which is in the same mood so that it can all be used together. The plate is part of a coffee set and has a cream background and patterned design in dark green, yellow, purples and pinks (£8.99 for the plate plus £2.75 p&p). The candlestick in the same pattern, is one of a pair costing £12.99 (p&p £1.75), whilst the mug, again in cream with soft greens, yellows, purples and pinks, is £2.99 (p&p £1).

## PAINTED PLEASURES

THE ART of decorating walls and furniture in one form or another is almost as old as time. The instinct to provide variety and pleasure for the eye can be seen in almost every corner of the earth, from the primitive daubings on African mud huts to the sophisticated frescoes of Renaissance Italy.

It is only in recent years, however, that we in Britain have begun to rediscover the delights of the old techniques of stippling and sponging, rag-rolling and stencilling. All these are wonderful ways of giving new life to tired old walls, to pieces of furniture that could more truthfully be described as plain than beautiful, to the odd junk buy that is now well past its best.

Lynn Le 'Grice' has been showing us just how all these objects could be beautified for some years now but the most comprehensive encouragement who want to transform the humble pieces of furniture in their home by other means is found at a new shop at 1 Ellis Street, London SW1 (just off Sloane Street). Called Carolyn Warrander after the stencilling enthusiast who runs it, it is overflowing with charming examples of the art.

The shop itself is full of inspiration—the floor has been richly stained to look just like some intricate piece of marquetry, the shopfront, the cupboards, the bellows by the fireplace, all have been treated to sweetly charming stencils in shades of green, terracotta and cream.

For sale in the shop is as large and comprehensive a collection of artefacts connected with stencilling as you could hope to find—there are wall-papers and fabrics, furniture and ceramics, a whole host of small presents, all transformed into something unique and design.

charming by the decorative treatment they've received.

For the moment most of the items on sale are relatively small in size but a range of furniture is arriving shortly which will be sold either plain (so that customers can let their own creative urge run riot) or stencilled according to your own choice by the shop. There will be blanket-boxes and desks, wardrobes and chests-of-drawers.

Also on sale is everything you need to learn to stencil yourself—from the stencils themselves, to inspirational books on how to do it and the pots of Japan paint which Carolyn Warrander believes give more people more satisfactory effects than the usually recommended spray-paints.

All the smaller orders can be sent by mail if you allow an extra £1.50 for the postage and packing.

A useful new book for those who want to transform the humble pieces of furniture in their home by other means is found at a new shop at 1 Ellis Street, London SW1 (just off Sloane Street). Called Carolyn Warrander after the stencilling enthusiast who runs it, it is overflowing with charming examples of the art.

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Illustrations by Dore

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Catalogues of all earthly desires

A FORGOTTEN American... century, one Edgar A. Guest...

COLLECTING

JANET MARSH

And those who sit with me... May see the pageants of mankind...

leather-bound edition was sent to diplomats and royalty...

Edgar A. Guest may have been no Whitman but he had hit upon a durable truth...

The Army and Navy Co-operative Society, to give it its full name...

These huge tomes speak of the world of Wodehouse novels...

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And now, the ideal gift for the man who has everything...

surprisingly the medical department offered a wide variety of anti-dyspeptic medicines...

much rarer than the English catalogues. This is a result of the characteristic life-cycle of the Sears and Roebuck catalogues...

buggies, sewing machines and cream separators, guns and kitchen ranges, paint and wall papers...

Why the sun shines on Essex

IT LOOKS as if the gods may have smiled on Essex. The county cricket champions...

TREVOR BAILEY rejoices in the success of his old club

For several years Keith Fletcher has been the best captain on the county circuit...

A predictable £2m tournament

THE AMERICANS would have you believe that the U.S. Open Championships, which began last Tuesday...

JOHN BARRETT reports from Flushing Meadows

McEnroe and Ivan Lendl, assuming they both survive, as well as overcoming the increasing physical challenge...

Champagne and rosé with a rural touch

COMPARED with the many thousands who throng the valley and the wine cellars of the Marne...

the Côte des Blancs as 100 per cent of the figure fixed annually just before the vintage...

WINE EDMUND PENNING-ROWSELL Blancs de Blancs—once from a co-operative, ad labelled Emile Clerambaut 1979...

and the 1980 from a bottle. Being made from the Pinot Noir they have more body and character than other rosés that I recollect...

Essex aggregate record of 2,348 runs formerly held by Jack O'Connor and is currently the finest English batsman.

Before the phylloxera, the area—roughly between Barsur-Seine and Barsur-Aube—included 26,000 ha. They were all destroyed by the parasite...

The improvement of the reputation of the Aube champagne production is shown by the planting of vineyards in some of the leading houses...

But champagne is not the only reason for visiting the Aube, for a very special wine is made there in small quantities...

Significantly, the local barrels have a capacity not of 205 litres, as in Champagne, but 225 litres as in Burgundy...

It is all worlds away from the busy, sophisticated life as it is lived in Rheims and Epervy, and the wine is different too.

CHESS LEONARD BARDEN

LOYDS BANK'S annual international open, primarily designed to give young British players a crack at the world elite...

and relaxed—perhaps too relaxed at the start. In early rounds he conceded draws to the Indians, Ravikumar and Thipsay—talented players but not in a world champion's class...

C. Ward, Sicilian Defence (Lloyds Bank 1984). 1. P-K4, P-Q4; 2. N-R3, P-Q3; 3. P-Q4, P-R3; 4. N-R3, N-B3; 5. N-Q3, P-K3; 6. B-K3, N-N2; 7. P-B3, Q-Q; 8. Q-Q2, N-B3; 9. P-K4.

NxB; 24 QxN, B-B3 (threat B-N4 ch) Black's King is safe and P-N5 gives him chances. White's reply in the game is much stronger.

West dealt at a love score and opened the bidding with one spade. North overcalled with two clubs, and East doubled...

BRIDGE E. P. C. COTTER

THE DOUBLE of an opposing contract may occur in one of two bidding situations, contested or uncontested. Let us start with uncontested bids.

The ways of weed

THANKS to the marvellous reservoir of the chalk hills from which it flows, the Test is still flowing sufficiently strongly to provide good fishing. It's true that more weed has to be left uncut to force up the level...

FISHING JOHN CHERRINGTON

As a contrast to the excitement of the July evening rise which lasted at most about half an hour, August has been much more interesting. The river is now extremely clear, not quite silty but a very weak whiskey and water. There appears to be some fly life for quite long periods of the day and fish are easily seen questing the current for fly or the hatching nymphs.

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# 'I do not know any other way'

By Geoffrey Owen and Malcolm Rutherford

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Saturday September 1 1984

## In place of hope

THE TUC conference next week, widely billed as the most important since 1926, looks increasingly unlikely to prove anything. The compromise reached between the General Council and the miners looks on the face of it like a victory for the miners, and may secure Mr Scargill's tactical purpose of giving a little new heart to his strikers. There is no reason, however, to suppose that the troops are any more willing to march than they have been since March. Union members are likely to continue to cross picket lines in defiance of their union's policies. The key unions involved—the power workers, electricians and steel men—will stick to their non-interventionist lines—any support short of actual help. And the TUC will prove itself the kind of body which Mr Len Murray described in the Financial Times yesterday—a body for passing resolutions. Even if this judgment is upset, and some union leaders succeed in getting the kind of forced militancy we are seeing at the moment at Fillbury, it seems unlikely that the militant pickets who roved the country causing such widespread chaos during the mine dispute a decade ago are now all required to discipline their own members, who have no taste for the kind of self-destruction to be seen in Scotland, where the removal of safety cables will probably close down one major low-grade mine, and leave 1,400 miners deprived of work by their own action.

### Questions

Such suicidal irrationality does, however, pose some serious questions for the Government. On trade union organisation, it could hardly hope for stronger arguments for its proposed reforms. If trade unions had already been demoralised, with strikes called only by secret ballot, then this summer's dramas would almost certainly have happened—no coal strike in all probability, and quite certainly no second dock strike. This would have averted a tragedy—for the Scottish miners are tragic rather than any foolish figures. They simply cannot bear the reality which shows up their past actions. However, the fact that the militants have been able to lead their members even reluctantly by the nose towards disaster is not just because of faulty union practices. It is also because of the economic situation. As has been seen in riots in France, and in a long and wholly characteristic open unemployment in Germany, high unemployment hardens militancy rather than undermining it. Employment is at last rising, just perceptibly, in this country but the labour force is growing faster. So unemployment is still on a rising trend and what do doubt look to the Government like long-overdue structural change looks to its victims like wanton demolition.

### European disease

A good deal can no doubt be achieved by covert relaxations, particularly those which restore competitiveness: but it is hard to feel any confidence that these or indeed stronger measures will be enough on their own. Forecasts leaked this week from the officials of the IMF confirm that slow growth is not now the British disease: it is Europe-wide. It is increasingly difficult for any member of the EEC to grow much faster than the whole market of which it is a part. Europe has so far been too preoccupied with its internal squabbles, to think much about such large matters. Now, however, we are up to be faced with the long-awaited slowdown in the U.S., which has heavy implications for Europe. It also happens that the presidency of the Council of Ministers has passed to Dr Garret FitzGerald of the Irish Republic, an economist of wide vision and great powers of persuasion. The progress of his consultations with his fellow-premiers could be one of the most telling signs in the next few weeks of whether Europe will try to supply the missing ingredient in the great deflationary adjustment hope.

### Concern at violence and intimidation

The Prime Minister expressed considerable concern at the violence and intimidation involved in the miners' dispute, but she defended her Government's Employment Acts so far and claimed that they were having their desired effect. Part of the new laws relating to trade unions, she said, was intended to give more power to individual members. Mrs Thatcher repeatedly praised the "bravery" of the miners who had defied the strike call and particularly those who had taken court action. The law was there to be used, she went on, and where it had been used it had been very effective: for example, in South Wales. The reason why it had not been used by big concerns, such as the British Steel Corporation, was that supplies had continued to get through and that production had been maintained. The Prime Minister said that output at the Ravenscraig steel plant in Scotland

### ON PITS

Some of their arguments apply just as much to exhausted pits as to uneconomic ones. If you listened to their arguments you would go on producing mud to keep a community going.

### ON JOBS

We have been getting more people in work, some of them not coming off the unemployment register. Compared to some of our continental neighbours we have a high proportion in work, but demographic factors have kept the unemployment figures high. One of the fundamental problems is that too much of the money available has gone into high salaries and wages. Real wages in America have not risen since 1977; their growth has gone into job creation. Our earnings went up by 7 per cent last year—81 per cent in manufacturing since above the rate of inflation.

### ON REFORMS

I've only been here five years and there are so many fundamental things to correct. But we have not done too badly in all—not well enough for my intractable appetite for putting things right. So it is small business, it is pay, it is good management—never, never underestimate the importance of good management—good management can motivate a workforce—and the willingness to accept change both within industries and in moving from one industry to another. Long-term fundamental reforms have to be accompanied by short-term measures to "cushion the hard corners of change."



Mrs Thatcher: "unions are trying to destroy unions."

### ON LABOUR

You must have a government which believes very passionately in what it wants to do, is very strong in its sense of purpose and does not listen to siren voices. I have not seen (in the Liberal and Social Democratic parties) the requisite clear objectives and strength of purpose. As for the Labour Party, there is a Labour Party, it's a Socialist Party. The good, solid, honest Labour people have not been strong enough to stand up to the others.

### ON FREEDOM

Why I believe in freedom is not only that I believe in it as the only thing that gives life dignity and meaning, not only because without it you will not get the initiative to create increased prosperity. But I also believe that when the crunch comes, the majority of people are decent and honourable and when the crunch comes you will get the kind of bravery and action on the part of the working miners and their families that you are getting now. I can only say that what is happening now is that an increasing number of people are taking responsibility—the Nottinghamshire miners, they have been extremely brave—some of the people in the docks, too.

### ON REFORMS

Finally, that is the only weapon, if I might use that word, that you believe in and more people will say it does depend on it—not everyone but sufficient people of every level of life, at every level of organisation, prepared to take the responsibility necessary to keep freedom alive, and necessary for responsible trade unionism to continue.

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### An absence of sufficient entrepreneurs

There appears to be no firm decision yet on who will replace Mr James Prior as Secretary of State for Northern Ireland. But Mrs Thatcher argued that the problem could not be resolved from No 10 Downing Street. "It will be resolved only if you get co-operation from the people over there. No-one has got it, an Irishman of the United Kingdom." However, she said, was nearly through as far as the British contribution to the budget was concerned. It was a question of the future of the Community on a world stage and "getting other people thinking in bigger terms." As for the miners, Mrs Thatcher concluded, the dispute will be resolved in the end by more people returning to work. It meant putting across the facts to the people again, again and again. "For what you have at present," she said, "is unions trying to destroy unions."

### Directors versus shareholders

From Mr G. Mills  
Sir—Mr Wehb—Bowen (August 24) was misleading. UK shareholders can appoint, confirm or dismiss non-executive as well as executive directors, and in this function they can override decisions by the board. They do not and cannot perform the function with any skill, which has enabled directors to protect their positions with a harmful new way of recruiting colleagues. Around a dozen years ago they replaced a limited head-hunting which enables them to recruit more narrowly and to select for comforting consensus instead of for change. Since then directors' salaries have risen very much faster than anyone else's because hunters make their living from a percentage of the first-year salary of the recruits they have provided. Directors' perks, protective service contracts and consequent golden handshakes have grown in volume like bacilli in a rich medium.

### French manufacturers with strong nationalism and easy finance.

It is neither nationalism, nor easy finance which persuades the French armed forces (unlike their British counterparts) to accept aeroplanes which are simple, cheap and tough enough to sell overseas in large numbers: it is common sense. It is that much under-rated commodity, along with the strongest technical record of the last 20 years, which gives the French a powerful and legitimate claim to design leadership of any pan-European fighter aircraft. R. Daniels, 25 White Horse Avenue, Goring by Sea, West Sussex.

### Letters to the Editor

one or two points raised by Robbed Lane Fox in his column on August 22. The Nana Alba, while scented, is not easy to propagate. We have been trying to propagate it for the last 10 or 12 years but have only now managed to sort out the problems and will, I hope, have supplies available shortly. The Hidcote lavender is, in its true form, indeed a splendid lavender. Unfortunately, lavender hybrids so very readily, that very often plants that are sold as Hidcote are not Hidcote and certainly your readers should never buy Hidcote lavender seed as this will not run true to the parent plant. The varieties mentioned by Mr Lane Fox are indeed ideal for the smaller garden. There are other varieties more suitable for the larger garden or for those who want to try flowers for making pot pourri or sachets. Henry Head, Coley Mill, Heacham, King's Lynn, Norfolk.

### Cost effective traffic moves

From the Vice-Chairman, The Pedestrians Association.  
Sir—There is considerable demand for compulsory fitting and use of rear seat belts (doubtless not discouraged by the seat belt manufacturers). We would certainly support any appropriate order or legislation. There appears, however, to be little realisation that while the welcome front seat belt measure is saving about 500 motorists' lives annually and use of rear belts could save another 300, this would still leave about 5,000 road-users' lives a year not saved, including those of the 1,500 pedestrians, 1,000 motorcyclists and 300 cyclists killed who can get no benefit from belts (the remaining 1,800 lives not saved being motorists'). Moreover, pedestrian and cyclist deaths are increasing. The priority need is clearly for greatly increased resources to be allocated to traffic-law enforcement and road-user training. This, as the Japanese have demonstrated (helped by overall control of road-safety effort being directly in the hands of their Prime Minister)

### The human dimension and BA

From Mr T. Allen  
Sir—As an employee of British Airways I have naturally heard a good deal about the recent report of the Civil Aviation Authority on airline competition policy. Only now, however, have I had an opportunity to read the CAA's own summary of its report. As a middle-aged employee of 28 years' service this summary is, of course, of great interest to me. I have read it very carefully, looking in particular for any concern for the human factor, and for any ray of hope that if your government implements the report, such implementation will not mean any transfer to the New Zealand unemployment register. At last I found it, on page 6—"In reaching its conclusions the authority has not been indifferent to the human dimension." It states, inter alia, "The unconvincing thing is that this and another two sentences on the subject are appended to a paragraph headed 'Sales of routes' for no very obvious reason. All over the world there are those of us who feel seriously threatened by this one-sided report. Meanwhile we await the decision of the Secretary of State for Transport. We can only hope that the "human dimension" will weigh more heavily with Mr Nicholas Ridley. T. H. Allen, 21 Norman Road, Takapuna, Auckland 2, New Zealand.

### BASE LENDING RATES

A.E.N. Bank	10 1/2%	Hill Samuel	10 1/2%
Allied Irish Bank	10 1/2%	C. Hoare & Co.	10 1/2%
Amro Bank	10 1/2%	Hongkong & Shanghai	10 1/2%
Henry Ansbacher	10 1/2%	Kingsnorth Trust Ltd.	10 1/2%
Armo Trust Ltd.	11%	Knowsley & Co. Ltd.	11%
Associates Cap. Corp.	10 1/2%	Lloyds Bank	10 1/2%
Banco de Bilbao	10 1/2%	Mallinhal Limited	10 1/2%
Bank Hapoalim	10 1/2%	Edward Manson & Co.	11 1/2%
BCCI	10 1/2%	Moghray end Sons Ltd.	10 1/2%
Bank of Ireland	10 1/2%	Midland Bank	10 1/2%
Bank of Cyprus	10 1/2%	Morgan Grenfell	10 1/2%
Bank of India	10 1/2%	National Bk of Kuwait	10 1/2%
Bank of Scotland	10 1/2%	National Girobank	10 1/2%
Banque Belge Ltd.	10 1/2%	National Westminster	10 1/2%
Barclays Bank	10 1/2%	Norwich Geo. Tst.	10 1/2%
Beneficial Trust Ltd.	11 1/2%	People's Tst. & Sv. Ltd.	12%
Brit. Bank of Mid. East	10 1/2%	R. Raphael & Sons	10 1/2%
Brown Shipley	10 1/2%	P. S. Refson & Co.	10 1/2%
CL Bank Nederland	10 1/2%	Rothschilds Guarantee	11 1/2%
Canada Permut Trust	10 1/2%	Royal Bk. of Scotland	10 1/2%
Cayzer Ltd.	10 1/2%	Royal Trust Co. Canada	10 1/2%
Cedar Holdings	11%	J. Royer Schroder Wagg	10 1/2%
Charterhouse Japhet	10 1/2%	Standard Chartered	10 1/2%
Choulartons	11 1/2%	Trade Dev. Bank	10 1/2%
Citibank NA	10 1/2%	TCB	10 1/2%
Citibank Savings	11 1/2%	Trustee Savings Bank	10 1/2%
Clydesdale Bank	10 1/2%	United Bank of Kuwait	10 1/2%
C. E. Coates & Co. Ltd.	11 1/2%	United Mizrahi Bank	10 1/2%
Comm. Bk. N. East	10 1/2%	Volksbank Limited	10 1/2%
Consolidated Credits	10 1/2%	Westpac Banking Corp.	10 1/2%
Co-operative Bank	10 1/2%	Whiteaway Laidlaw	11%
The Cyprus Popular Bk	10 1/2%	Williams & Glyn's	10 1/2%
Dunbar & Co. Ltd.	10 1/2%	Wittrust Secs. Ltd.	10 1/2%
Duncan Lawrie	10 1/2%	Yorkshire Bank	10 1/2%
E. T. Trust	11%	Members of the Accepting Houses Committee	
Exeter Trust Ltd.	11%		
First Nat. Fin. Corp.	12%	7-day deposits 7.25%, 1-month 8.00%, Fixed rate 12 months £2,500 8.75%, £10,000 12 months 10.00%	
First Nat. Secs. Ltd.	12%		
Robert Fleming & Co.	10 1/2%	7 day deposits on sums of under £10,000 7%, £10,000 up to £20,000 8%, £20,000 and over 8 1/2%	
Robert Fraser	11%	Call deposits £1,000 and over 7 1/2%	
Grindlays Bank	10 1/2%	21-day deposits over £1,000 8 1/2%	
Guinness Mahon	10 1/2%	Demand deposits 7 1/2%	
Hambros Bank	10 1/2%	Mortgage base 7 1/2%	
Heritable & Gen. Trust	10 1/2%		

### French design leadership

From Mr J. Daniels  
Sir—It was not a Conservative Government that was forced to cancel the last sole effort, TSR2. The cancellation decision was taken by the incoming Labour Government of 1964, and announced in Roy Jenkins' Budget speech of 1965. One might also take issue with Mr Ashworth-Lord's assertion (August 22) that "the French Government backs

### A UK space agency and European aerospace co-operation

which has given Europe commercial ability in space transportation and satellite communications. Europe is now considering its major options in space transportation, notably Columbus, Ariane 5 and Hermes. Columbus is a joint German/Italian endeavour; Ariane 5 and Hermes will be dominated by France. The UK yet again, however, appears to be the wallflower in these projects. The UK has never entirely lost its ability in launch vehicles and space transportation systems. Indeed, the Americans recently approached one leading UK aerospace company to build (under licence) a rocket motor suitable for Ariane 5 as an alternative to the French HM-60 motor now being considered by the European Space Agency. Similarly, the UK aerospace industry has in its public pro-

### Announcements hinted that it has some very advanced thinking in launch vehicle concepts.

We are therefore at a stage where the UK can take a very effective role in the space business of the 1990s in addition to its role in communications satellites. The effectiveness of a right decision at this time will be enhanced by the ineffectiveness of the American Shuttle system without subsidies as a cost-effective launch vehicle and the relatively low technical expertise in French proposals for the next generation European launch system. Although Ariane has been a major success for Europe in the 1980s by essentially using proven technology of the 1960s, its success has been guaranteed by the fortuitous luck of the USA concentrating on the costly Shuttle programme. Europe is

### for the 1990s looking towards its own man rated launch systems requiring a leap in technical expertise and decisions about the UK's role to be taken quickly.

It is the management of this role which is one of the primary objectives of a UK space agency. UK involvement will be costly. A dominant role in an Ariane 5 type project will cost well in excess of £1bn which will have to be provided by the UK taxpayer. We also need to ensure that our role would not be a means of giving France competitive access to our technology. It is also by no means a foregone conclusion that we need to co-operate entirely within the framework of the European Space Agency. Roger Stanyard, 19, Regent Court, Albert Street, Fleet, Hants.

Handwritten signature or initials in a box.

# In the U.S., they do things differently...

## FT writers look at contrasting approaches to politicians' disclosures following the U.S. media's grilling of Geraldine Ferraro



Geraldine Ferraro: tax returns made public

exchanges: gifts and reimbursements; liabilities. It has to be filled in every year by members of Congress, high-ranking federal officials, judges, candidates for President and Vice-President and, with few exceptions, their spouses. If a politician owns shares in a General Motors, this will be revealed as well as their rough value. Details of individual bank accounts, money-market funds, together with all free meals, travel and hotel expenses of over \$250 also have to be listed. Politicians can elect to tick a box on the form claiming exemption from disclosing their spouses' finances if it can be argued that the financial affairs of the two are truly separate. Geraldine Ferraro did this and suffered for it. She was very much the exception in Italy. Only 16 members out of 435 in the House of Representatives claim exemption from disclosing their spouses' incomes.

These are just some of the financial details which the President of the U.S. in common with the rest of America's politicians, has to disclose annually on a form SF 278, available in anyone who cares to drop in at the Office of Government Ethics at 1717 H Street in Washington. Surprisingly, one of the few items missing from the form is his salary (\$200,000 a year) but this along with a copy of his tax returns can be obtained by telephoning the White House.

The U.S. media's recent grilling of Geraldine Ferraro, the Democrat candidate for vice-president, and of her husband John Zaccaro, emphasised the degree of financial disclosure demanded of U.S. politicians. Since Watergate their financial affairs have been subjected to a level of scrutiny most ordinary people would find intolerable. Certainly it is unmatched in any of the other major democracies.

The U.S. Ethics in Government Act of 1978 outlines what has to be disclosed and Congress has various watchdog offices whose job is to ensure that nothing is left out. The annual form is split under four main headings: income and interest in property; purchases; sales and

pressure stemming from Mr Tanaka's conviction in the Lockheed bribery trial, announced that his Cabinet members would abide by new, albeit "voluntary," rules under which they would disclose their net worth.

But it emerged that under this regime the Minister was entitled to exclude any assets held in the spouse's name, was only obliged to disclose the taxable, not market, value of any property and the face, not market, value of any securities, and was under no compulsion to itemise the political "donations" that are a Japanese politician's lifeblood. He was, however, obliged to disclose his golf club memberships.

An endearing 30-year-old quirk in the Japanese system is that although an individual's tax returns are not normally subject to public scrutiny, the Taxation Agency does publish annually a list of the richest Japanese, based on their tax submissions. Until this year the names of all Japanese with an annual declared income of over ¥10m (currently about \$41,000) were released; but last year this was tightened to include disclosure only of those who paid taxes of more than ¥10m. The net result was that the list shrank from some 320,000 in fiscal 1982 to about 66,000.

Among politicians, only 69 out of 760 Diet members were so identified, compared with 751 out of 745 in fiscal 1982; and of the 21-member Cabinet, only Mr Nakasone himself, who paid ¥20.88m in taxes, was named, even though it is generally known he is far from being the wealthiest in the upper echelons.

Indeed, Mr Eitaro Itoyama, the MP identified as paying the most taxes, publicly complained he could not understand why he headed the political list

because he knew and everybody else knew, he said, that many politicians earned far more than he.



FRANCE—President and ministers are subject to little or no public scrutiny of their personal finances. In line with the proverb saying that discretion is the recipe for a contented life (*pour vivre heureux, vivons cachés*), French law forbids publication of details of any citizen's tax contributions, writes David Marsh in Paris.

French people do have the right to consult at the local tax office income details of taxpayers living in the same area. But under a rule restated in a decree passed in 1972, newspapers publishing the information are subject to a fine equivalent to the amount of the infringed person's tax bill. Public figures are treated no differently from private citizens.

President Francois Mitterrand's salary, on which he is subject to tax, is not publicly disclosed. The sum, believed to be around FF30,000 a month, is included in the "general charges" section, totalling FF 4.3m this year, of the Elysee Palace budget, which amounts to FF13.9m, up 7.3 per cent from 1983.



WEST GERMANY—It is thought had form to mention money in refined circles let alone the money one makes. Germans are frequently horri-

fied when their American friends bluntly ask them about their income, volunteering their own salaries in return, writes Elaine Schroeder in Frankfurt.

It is hardly surprising in such a climate that financial transparency is not demanded—not even of the highest office holders in the country. There are no laws or regulations or practices prescribing what the head of government must disclose.

The Federal Chancellor and his ministers must, however, abide by article 66 of the Basic Law, West Germany's constitution. This stipulates that they may not hold any other salaried office, nor engage in a trade or occupation nor practice a profession, nor belong to the management or (without the consent of the Bundestag) to the board of directors of an enterprise carried on for profit. Theoretically, the wives of ministers can take up any gainful activity they choose.



UK—For British politicians to emulate Mrs Geraldine Ferraro and make public tax returns for themselves and their spouses would be unthinkable in the climate which has always prevailed at Westminster, writes John Hunt.

Any rules on disclosure and conflict of interest—such as they are—are based on convention and not on legal requirement. When a British politician accepts ministerial office, he must divest himself of any business interests.

# The yellow-brick road to Wigan Pier

By Arthur Sandles

STOKE caught it a long time ago. Bradford has a serious attack of the early symptoms, Liverpool is showing signs of succumbing; but London, or at least the leader of the council Mr Ken Livingstone, has resisted infection. The idea of tourism, as an answer, in part at least, to the woes of the inner city has spread rapidly across the Atlantic and is taking a firm hold in what at first glance seems the most unlikely of settings—Britain's industrial heartlands.

Mr Livingstone reflects much of the caution which besets the political left when it comes to the tourism business. London, he argues, does not want "Mickey Mouse jobs." He used the phrase to describe plans to turn Battersea Power station into a theme park. It was an unfortunate choice. Mr Michael Montague, chairman of the English Tourist Board, has been quick to point out how lucky London would be if Disney's Mickey could do for London what he has done for the Orlando area of central Florida.

Political philosophy, from both right and left, has proved but one of the problems of turning docklands into marinas and warehouses into restaurants, of transforming mills into museums and brickworks into miniature plants. The left tends in regard service industry employment as seasonal and underpaid, the right swerves away from the central planning and tax/ratepayer provision of essential peripheral services.

Yet a new wave of tourist development in Britain is now underway. Bristol has massive plans for its waterfront area. London has already seen a remarkable rejuvenation of Covent Garden and Camden Lock; Wigan is renovating an eight-acre Wigan Pier tourist area; and Hull has ambitious plans to exploit its whaling and sea-going past.

There are some spectacular examples of what such rejuvenation can produce. Covent Garden is today a thriving community of small businesses and retailing outlets which have a turnover per square foot of Marks and Spencer proportions. New York's Fulton Market area and South Street Seaport has lifted what was only a couple of years ago a dusty slum into a major leisure area for both tourists and New Yorkers.

The scale of investment in some of these developments can be immense. The Fulton Fish Market project had a budget of \$125m, with \$60m coming from the House Corporation, a property group which has been involved in many U.S. urban renewal programmes.

An essential ingredient of any plan seems to be that no-one else is interested in the land. Liverpool's highly successful Garden Festival, a temporary rejuvenation which may lead to more permanent things, is an example in a region which is rich in unwanted terrain.



Bradford: a tourist city. Bristol is also a case in point. Brunel had a vision of this west country city being a natural link on a route that ran from London to New York and then on to California. The growth of other ports caused a gradual decline which accelerated dramatically in the 1960s and 1970s.

Today Bristol seems enviably united about what should be done about the decay. The Bristol Marketing Board is a joint venture with the city council and private interests. It has close links with the English Tourist Board, the British Tourist Authority and neighbouring Bath acts as a catalyst in drawing funds.

It is no wonder that the English Tourist Board's Michael Montague is eagerly visiting the Bristol experience at other local authorities and private industry. "Why should it be regarded as

unpalatable that inner cities will increasingly depend on the service industries for their economic future, particularly in providing employment by creating a climate where people can go to be entertained, stimulated and satisfied? In short, enjoy themselves," says Mr Montague.

The change of use of buildings is particularly well demonstrated in Bradford, where old mills and grand buildings are being cleaned and refurbished apiece. Bradford is one sprouting restaurants and wine bars on a Covent Garden scale.

The city as an example of a place where tourism has exploded to the almost total surprise of the council. It was a brave decision to move into the industry in 1980, but there is little doubt that it was perceived as peripheral. Now, says the council, tourism is worth £15m a year and is growing rapidly.

The bravery of the council can be seen in the fact that the first year budget, at £100,000, might be argued to have been subsidising the first 2,000 visitors at the rate of £50 a head. Now, however, Bradford itself gets 30,000 tourists a year.

What Bradford and other cities are now realising is that an attractive city and environment in countryside with considerable leisure activity, is also a major factor in attracting manufacturing investment.

How much of Liverpool's problems have stemmed from the public perception of that great city? asks Michael Montague. "Or for that matter Birmingham or Newcastle?" "Unfair prejudice based on a false impression of an area prevents that area from gaining a fair fair look."

The interests of the inner cities in tourism come after years in which many traditional British resorts have been assuming the very fairs which first made them prosperous. Obvious centres, like York and Bath, for example, have been investing, but many of the older seaside resorts have been falling into decay. Some of the holidaymakers who moved to the coast in retirement are the ones who vote against spending money in the towns or on capitalise the Victorian heritage. Today's big spenders are the old industrial towns they left behind.

## Weekend Brief

### Effervescent chaos at the Edinburgh Fringe

#### Sunday

THE situation in the tiny theatre capacity about 100, is normal—that is, chaotic. A group of students have arrived, and there is much to do before tomorrow morning's first performance. They have to clear up the mess left by last week's performers, set up the stage, find out how the music system works, experiment with lighting, sort out props, unpack and bring costumes, cook breakfast, and a thousand other things. They are putting on two shows, a children's pantomime and a straight play (Ibsen). They need all day, really, but this is the Edinburgh Festival and they are sharing the theatre with at least two other groups so they have to clear out by 2.30. With luck they will get most of their technical rehearsal done, but there is no chance of a dress rehearsal. And there is still the publicity to be done, posters to be stuck up all over town, hallions in the park, customers to be found.

Michael Dale, who operates out of a one room office with precisely one permanent assistant, though for the first week in July and August he hires 50 more.

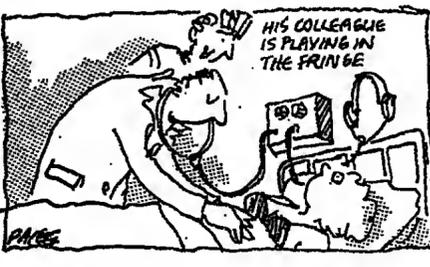
He is remarkably relaxed today, as the last week starts, and talks me through the statistics. By the end of the week 840 different shows will have played nearly 7,000 performances, and 5,000 artists will have grossed £800,000. His classifications include theatre, comedy, musicals, revues, cabaret, operas, mime shows, chamber and orchestral music, recitals, readings, children's shows, free events, performance art... anything you care to name.

#### Tuesday

TELEVISION has come to town in a big way, and Jonathan Miller is keeping a low profile. Loog before the Festival opened he denounced the "omnivorous man of television," and accused it of hovering up the arts and reducing them to a dustbag. The living arts are in dread of longer, because of the awful glass eye.

#### Monday

THE EDINBURGH Festival was conceived in 1947 as a morale-booster in the post-war depression and an event of critical excellence to rival Bayreuth and Salzburg. It was never intended to be a Fringe, but in that first year eight English and Scottish groups turned up and put on their act. The fact that no one had invited them they assumed to have been simply an oversight.



THE queue is four deep at the bar, and the cigarette machine's empty." He is pouring through the list of delegates, ticking certain names. "I'm looking for the Etonians and Wykehamists," he says, "just checking on the Establishment. I'm interested in the establishment, networks of people, and cricket. Did you know that Jack Hobbs's great-grandson has a play on at the Traverse Theatre, and that John Williams, the guitarist (appearing in the official Festival) has a music sector who is married to Sir Pelham Warner's granddaughter? I didn't, and moved gently away. You can't be too careful."

#### Wednesday

TIME to see how the students are getting on, and the news is not too good. One of the music tents went missing one day, and there has been a lot of trouble with the props. Ibsen is doing better than expected, but the pantomime is having a hard time. Audiences are thin, and contain very few children, which is not good when you need lots of noisy audience participation. Some of the actors are drying from nerves. The cast is pretty dejected, and there is some wild talk of quitting.

#### Thursday

YOU MEET some funny people in Edinburgh in August. A woman up from London goes to see one of the FRINGE's wackier shows, Hank Wainford's Band, and is amazed to see her doctor and family planning advisor walk on stage as Hank Wainford himself, in the guise of an unshaven pigtailed country western revivalist singer from America's Blue Belt.

well known, and has been one of the smash hits of the Fringe. If they are not on TV soon TV opportunities are not as smart as they think.

And there are some things that never change. Rudolf Nureyev, director of the Paris Opera Ballet, was dancing for some photographers, apparently unaware that Emilio Colia, cartoonist for the Scotsman, was sketching him from the wings. When he did notice, he grabbed the sketchpad and tore it up. "This sort of thing happens very often," apologised the press officer. But Nureyev has sold out the 3,000 strong Playhouse Theatre (official, not Fringe) for tomorrow's final performance.

And indeed the whole frantic three weeks ends tomorrow, on a remarkably optimistic note. Earlier in the week the critics had it in for the Festival and without the Festival there would be no Fringe; the two have a symbiotic relationship, uneasy at times but more relaxed of late.

The new Labour-controlled Edinburgh Council was threatening to remove its £4m subsidy to the Festival, on the grounds it was elitist. There was speculation, in London and in Edinburgh, that this might be the last Festival, even that it should be put out to tender, like the Olympics.

But like the Olympics and the Grand National, the Festival is not so easily killed off. The Edinburgh Festival, as it has changed its tune as despite a slow first week when low audiences again provoked cries of doom and gloom, both Frank Dunlop (Festival director) and Michael Dale for the Fringe have held press conferences declaring victory.

Financial targets have been reached, show after show has been sold out all this final week. The council would like to dilute the whole event, to spread it more evenly over the year. There is talk of establishing a Spring Festival of a Children's Festival maybe, or maybe hiring off the Film Festival. Some of this makes sense. But it can all wait until next week, for there is one more show to put on, one last group of children to be entertained. Edward de Bono, Minister of Lateral Thinking, was once asked at an international conference where the Western world should look to find the ideas of the future. Without pausing for thought he replied: "In the bankruptcy files." Such files are a treasure house of vision. The bankruptcies occurred not because of the poverty of the ideas, but because they were ahead of their time, or underfunded, or whatever. The same is surely true of Fringe, and especially true of the Fringe.

John Graham

## BUILDING SOCIETY RATES

	Share price	Subsidiary shares	Others	%
Ahhey National	7.75	8.75	8.75	Seven-day account 9.25 Higher interest acc. 90 days' notice or charge 8.50-8.75 Cheque-Save
Aid to Thrift	9.15	—	—	Easy withdrawal, no penalty
Alliance	7.75	8.75	8.75	Monthly income, 1 month's notice 8.00 £2,500-9.00 term, wdl. If balance £10,000 or more, 1 day's notice if under £10,000. No penalty
Anglia	7.75	8.75	9.25	3-year bond, No notice, 3 month's penalty 9.25 Capital share, No notice, 1 month's penalty 8.75 7 days' notice, No interest penalty
Barnsley	7.75	9.50	9.40	2-year term—3 months' notice no penalty
Birmingham and Bridgewater	6.00	9.25	9.00	5 days' nt., no 20 days' int. pen. for term, wdl. 9.80 90 ds. shrs., 80 ds. nt. or 90 ds. pen. for int. wdl.
Bradford and Bingley	7.75	8.75	9.00	Premium account. On demand, no penalty
Briarcliffe	7.75	8.75	8.75	7 days' notice, 9.00 28 days' notice
Cardiff	9.00	9.25	9.25	Share account balance £10,000 and over
Catholic	8.00	8.00	9.50	Jubilee bond, Min. £1,000. Monthly income
Century (Edinburgh)	8.55	—	9.30	permanent 2/3 years or variable
Chelsea	7.75	8.75	9.75	3 years, immediate withdrawal interest penalty
Cheltenham and Gloucester	7.75	8.75	9.00	Gold account £1,000-... No notice. No penalties Monthly int. £5,000-... 9.25 if added to acc.
Citizens Regency	6.00	—	9.20	7 days, 9.00 monthly income
City of London (The)	6.00	8.75	9.50	6 months' notice—no penalty during notice 9.25 2 months' notice—no penalty during notice 9.10 21 days' int. im. access for amounts over £10,000
Coventry	7.75	8.00	9.25	Money Maker £20,000-... 9.00 £5,000-... £1,000-... Instant acc. no pen. Monthly, int. opt.
Derbyshire	7.75	8.00	9.25	90 ds. nt., Triple Gold 8.25, 9.00 9.10 28 ds. opt.
Gateway	7.75	8.75	9.00	Gold Star £1,000-... No notice. No penalties. Monthly int. £5,000-... 9.38 if added to account
Greenwich	6.25	—	9.25	7-day account 8.75-9.25 subject to balance
Guardian	8.00	—	9.15	£1,000 m—6 mth. nt.—Acc. to bal. over £10,000
Hullfax	7.75	8.75	8.75	7 days Xtra, 7 days' notice, no penalty 9.00 28-day Xtra, 28 days' notice, no penalty 9.25 90-day Xtra, 90 days' notice, no penalty
Heart of England	7.75	9.00	9.25	90-day notice, 8.75 5-day notice
Hemel Hempstead	7.75	9.25	9.65	2 years, 9.25 28 days, 9.40 3 years
Hendon	6.90	—	9.65	6 months, 9.40 3 months, 8.90 1 month
Lambeth	7.90	8.00	9.65	28 days plus loss of interest, 8.75 3 months
Leamington Spa	7.25	—	9.00	Spa Income, 9.25 Lion Sh., 9.75 1 yr. term var. int. 9.00-10.00 Spa Plus, bonus of 50%, 75% - 1%, after each successive complete yr. acc. is open. No notice or interest opt. for early close
Leeds and Holbeck	7.75	8.50	9.25	Monthly int., 9.25 1 month's notice or penalty
Leeds Permanent	7.75	8.75	9.25	Liquid Gold a/c no opt. no pen. HRAS 3 m. not.
Letcher	7.75	8.75	9.57	compounded, 3 years, 9.00 28 days' notice
London Permanent	8.25	—	9.25	60 ds. nt., no pen. 1 m. wdl. loses 80 ds. int.
Midshires	7.75	9.25	10.00	5-year term, no 9 d. notice & pen. (3, 4 yr. optn)
Mornington	9.10	7.50	—	Prompt withdrawals—no penalty
National Counties	18.05	8.05	9.80	28 days' notice plus loss of interest, £1,000-9.25 90 days' notice/pen. unless bal. stays £10,000
National and Provincial	7.75	8.75	9.00	1 mth.'s notice/pen. unless bal. stays £10,000-9.25 Capital bonds, 3 yrs., 90 days' notice/penalty 9.25 Bonus-90, 90 days' notice/penalty 9.00 Super bonus, 28 days' notice/penalty 8.75 Bonus-7, 7 days' notice/penalty 9.00 90 days' notice, 9.00 28 days' notice
Newcastle	7.75	8.00	9.25	7 days' notice. On demand with penalty
Northern Rock	7.75	8.00	8.75	Moorspinner gold (£1,000-£4,999) 9.00 (£5,000-£18,999) 9.25 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	8.00	9.25	9.30	New City Acc. Immed. withdrawals no penalty
Paddington	8.25	9.75	9.25	1 mth.'s nt. or 1 mth.'s int. loss on sums wdl.
Peckham	8.50	—	9.00	7 days, 8.50 3 months
Portman	7.75	9.25	9.00	No notice, 9.25 2 months' notice
Portsmouth	8.05	9.55	9.00	3 years, 9.50 6 months, 9.25 1 month
Property Owners	8.25	9.00	9.25	7 days, 9.35 28 days, 9.60 6 mths. Effective Aug 13
Scarborough	7.75	9.00	9.75	2-year limited share, 1.75 guaranteed differential.
Skipton	7.75	9.00	9.25	5-year term £10,000-... 8.75 £1,000-... No penalty. No notice, monthly income
Stroud	7.75	9.00	9.35	3 months, 9.10 £10,000-... no penalty, no notice
Sussex County	7.75	9.25	9.75	up to £2,498, 8.00 £2,500-... 1 mth.'s notice 9.00
Sussex Mutual	8.25	9.50	9.25	Monthly income at 1 month's notice
Thrift	8.40	—	8.40	3-year term. Other account
Town and Country	7.75	8.75	9.80	90 days' nt. or pen. if bal. goes under £10,000 9.00 7 days' nt. or pen. if bal. goes under £10,000
Wessex	8.20	—	—	7-day account, 7 days' notice
Woolwich	7.75	8.75	8.75	28-day account, 28 days' notice/penalty 9.25 90-day account, 90 days' notice/penalty
Yorkshire	7.75	8.75	9.25	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax (40%) has been levied on behalf of the investor.

Handwritten scribble: J.P.Y. 10/1/80

# Chemical Methods out of the red

A RETURN to the black has been made by Chemical Methods Associates, a California-based maker of dishwashers, after six months of heavy losses.

The group announces a profit of \$126,000 (£37,000) before tax in the first six months to June, against a \$254,000 loss in the second half of last year. However, this still represents a 10 per cent decrease on the \$140,000 taxable profit in the previous interim period.

Chemical Methods had forecast a \$4m profit for the year to last December when it arrived on the United States Securities Market in May 1983. When it realised that it would miss the target, it offered investors their money back—holders of 8.5 per cent of the shares accepted.

Sales rose from \$4.05m in the first half of 1983 to \$5.04m, while rental income of \$216,000 and lease interest of \$142,000 lifted total revenue in the first six months of this year from \$4.42m to \$5.4m.

Trading profits were static at \$262,000. An increase in interest charges from \$44,000 to \$128,000

## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre. of sp. div.	Total for year	Total last year
Alliant Props. Co.	Nil	—	5.2	1	6.2
Arbutnot Govt. 4th int.	2.75	Oct 15	2.75	11	11
Church and Co.	—	Oct 19	—	—	—
Elys (Wimborne) int.	1	—	—	—	7.5
Imry Property	3.2	—	2.9	4.8	4.3
Polytechnic Marine	—	—	—	—	3.6
Scottish Northern Int.	0.96	Nov 5	0.96	—	—

Dividends shown per share net except where otherwise stated. \* On capital increased by rights and/or acquisition issues. † USM stock. ‡ Unquoted stock. § Became a subsidiary of Slough Estates in January.

was only partially offset by a decline in currency translation losses from \$78,000 to \$9,000. Tax took \$89,000—\$6.5 per cent of gross profits—leaving net income down from \$71,000 to \$17,000. Earnings per share sank from 0.6 cents to 0.1 cents. There is a 3.5 cent dividend, as against a nil payout in the comparable period.

Trading conditions continued to be difficult to the UK in the

positive results in the current half.

**Comment**  
CMA has overcome the technical and marketing problems which caused last year's fiasco. But margins are still under pressure since prices have stagnated until recently and marketing costs continue to creep ahead. The UK is the major hub, where strength—by the ton's—has doubled to \$100,000. That subsidiary needs to triple its sales to make a profit, a target it seems unlikely to achieve under its own steam, although there are plans for a joint venture with a related company. In the current half, CMA has managed a 3.5 per cent price increase to the U.S., cut its workforce by 5 per cent, and reports that orders are ahead by 10 per cent. Second half profits should easily beat the first, but the group is still a long way from meeting its original \$4m pre-tax profit forecast. The shares were unchanged at 20p, valuing CMA at just £2.5m.

# Church tops £1.4m and expects a good year

FOOTWEAR group Church and Co. has shown expansion in the first half of 1984, with turnover ahead £2.58m to £2.72m and profits before tax up £296,000 to £1.45m. And Mr Ian Church, the chairman, says the year as a whole should be another good one.

In 1983 the group pushed up profit from £1,266 to £2,79m, and its dividend from 9.5p to 11p. In the current year the interim dividend is being held at 9p net.

Over the first half the chairman says manufacturing at the UK's factories was "extremely busy and profitable," and he expects these conditions to continue in the second half.

The UK retailing side had a much better six months, and this trend is continuing.

Overseas, results from Canada were slightly lower than the first quarter, but the American company produced a "substantial increase" in dollar terms with a further benefit on conversion to sterling.

After tax £487,000 (£288,000) and minorities £6,000 (£3,000), the attributable profit for the half year came to £394,000 (£280,000). Earnings are shown at 18.5p (15p).

# Panel takes unusual step in Finlan bid for Lincroft

BY ALEXANDER NICOLL

THE Takeover Panel, in a very unusual move, yesterday allowed John Finlan, the construction and property development group chaired by Mr Graham Ferguson Lacey, to extend its bid for Lincroft, Kilgour, beyond the 60-day period normally allowed.

Finlan's bid for the textile and investment group was extended until next Tuesday pending the outcome of the Panel's investigation of a matter arising out of the vigorous combat in which the two companies have engaged.

Finlan, extending the offer in an announcement agreed with the Panel, did not disclose the level of acceptances received at yesterday's 60-day deadline. Acceptances received yesterday and Tuesday will be held on one side pending the Panel's decision.

The Panel's attention is focused on a graph appended to a letter to Lincroft shareholders for its chairman, Mr Anthony Holland. The graph, prepared by an independent financial assessment company, purported to compare the relative solvency of Lincroft and Finlan, based on "a number of key financial ratios."

According to the graph, Lincroft's performance in financial terms is bettered by only 1 per cent of UK industrial and manufacturing companies, while Finlan's is bettered by 95 per cent. The graph also puts Lincroft well below the average for the manufacturing industry, while Finlan falls below both the contracting and construction industry average and a "solvent threshold."

"If the PAS score of a company falls below the line entitled 'solvent threshold', the company is demonstrating characteristics similar to previous failed companies," the appendix to the Lincroft letter stated.

Finlan has made no secret of the need for cash which prompted its bid for Lincroft. But it objected strongly to the classification of Lincroft and Finlan respectively as textile and construction companies. The PAS model was inappropriate for both companies, it said.

"At September 30 1983, 58 per cent of Lincroft's assets were in speculative investments, not in operating assets," it said. "Since 1981 has ceased to be solely a construction company and is now concentrating on property development," Finlan said.

PAS is a five-year-old company providing analytical services to institutional clients. Mr Andrew Buchanan, a director, said he was

# Intense activity at Taddale Invs.

In a year of "intense activity," Taddale Investments, 1984 and the industrial group, pushed pre-tax profits up from £1.51m to £2.04m and the current year's results will reflect a "significant contribution" from recent acquisitions.

During the second half of the year to April 1984 Taddale acquired Branno, outstanding shares in P. H. Industrials, and 60 per cent of Prince of Wales Hotels. The results do not include any profits from Prince of Wales nor the full impact of Branno's reorganisation.

"Profits were attained on turnover of £17.43m (£14.04m) and were subject to tax of £46,952 (credits £25,861).

The final dividend of this unquoted stock is 1.25p, which maintains the total at 2.25p on the enlarged share capital. Earnings per share are shown as 4.1p (4.1p).

After a minority credit of £10,083 (£5,007), an extraordinary debt last time of £237,539, and dividends the retained profit is £640,280 (£539,570).

# Smith Whitworth dividend hopes

FURTHER progress has been made by the Smith Whitworth group in the year ended March 31 1984, with a "great deal more being achieved than the accounts might suggest," comments the chairman, A. Barker.

There is no return to dividend this time but in the light of current progress the chairman anticipates a payment for 1984-85.

For 1983-84 the turnover has moved ahead from £1.89m to £2.17m, and the profit from £4,229 to £49,441. Earnings are 1.152p (0.001p) per share. An ordinary dividend was last paid in respect of 1973-74.

Mr Barker says the steps taken two years ago to diversify

into new markets have borne fruit and the engineering companies currently have strong order books. Inquiries for carpet and vinyl handling machines are at a particularly high level and future prospects "look very encouraging."

During the current year sales of these machines alone should be in the order of £2.5m, all of which will be to new customers.

The new in-house demonstration facility at Careful Cut has been of great assistance to sales efforts. Careful Cut itself incurred the setting-up losses forecast last year but Mr Barker anticipates that significant progress will be made during the

current year.

The group has made a large investment in computer-controlled machine tools in order to substantially up-date its manufacturing capability. This policy will continue, albeit at a lower level in the current year.

Mr Barker says making the speedy transition from a traditional textile machinery manufacturer to a more diversified and higher technology-based engineering group has not been easy. Shareholders can be assured that every effort will be made to build on recent successes and to establish a stronger and better platform for the future.

# Imry Property maintains profit growth

Imry Property Holdings notched up a further profit increase over the year to March 31 1984 and is raising the total dividend from 4.3p to 4.5p with a 0.3p lift to 3.2p in the final payment.

After showing a £90,000 advance to £262,000 in taxable income, the group finished the year at £2.13m compared with £1.89m.

The improvement stemmed from a £338,000 rise to £3.77m in net investment property income and a higher contribution of £211,000 (£150,000) from its related company, Harleigh, which offset increased finance costs of £1.58m (£1.49m) and expenses of £374,000 (£358,000).

Tax took £340,000 (£364,000), leaving a net balance of £1.25m (£924,000) equal to earnings per share of 9.34p (6.71p).

Net asset value at the year end amounted to 386p (£399.1).

There were 1,239,000 ordinary shares of £74,000 (£87,000) debits (£27,000). Outgoings relating to properties in course of development totalled £198,000 (£172,000), transfer to other reserves amounted to £216,000 (£200,000), and the company purchased some of its shares during the year which required £236,000.

# Glanfield says bid breaches Code

BY RAY MAUGHAN

Gregory Securities, headed by Mr Jim Gregory, chairman of Queens Park Rangers, First Division Football Club, yesterday launched a bid for motor distributor, Glanfield Lawrence only to draw the immediate riposte from GL that the offer had been mounted in breach of the City Code.

The Takeover Panel confirmed last night that the circumstances by which Gregory Securities had acquired a 42 per cent holding in its intended target were in clear breach of the rule which requires a bidder to take no more than 15 per cent of an offeree company in any seven day period.

The Panel also pointed out that an offer cannot extend its holding beyond 39.99 per cent until the bid has reached its first closing day, that is three weeks after the posting of formal offer documents. It is not yet clear, however, how the Panel intends to heal this breach.

Over the past six weeks the Panel has been considering representations from the Glanfield Lawrence board, headed by Mr Michael Warwick, and Samuel Montagu, the group's financial advisors, which have sought to show that the 42 per cent holding had been held by Mr Christopher Selmes both directly and through other shareholders acting in concert with him.

Samuel Montagu has been attempting to show that an alleged concert party had acquired Glanfield Lawrence shares at prices up to 53p and, under Rule 34, the bid from Gregory Securities should have been launched at that price. The merchant bank will press the Panel to unscramble Gregory Securities' purchases or, otherwise, to disenfranchise the holding.

Gregory Securities revealed yesterday that it had acquired 570,000 Glanfield Lawrence shares on Thursday at 46p, purchased a further 140,000 shares at 49p yesterday and added a further 154m shares at 44.625p per share.

Mr Warwick has been negotiating with Mr Selmes, best known for his stewardship of Grendon Trust, over recent weeks with a view to mounting a consortium to purchase Mr Selmes' stake. It appears that the two sides had at one point agreed a deal whereby the consortium took 18 per cent of the company at 50p per share plus stamp duty but, following the late breakdown of that arrangement, Mr Warwick said yesterday that "it appears that Mr Gregory has mopped up every single Selmes satellite share."

# Compeco well ahead to £730,000

PRE-TAX profits of Compeco Holdings, a property investment and development company, rose from £292,000 to £730,000 over the 12 months ended March 25 1984.

Earnings surged by 10.95p to 16.37p per share and the dividend is being raised from 3.5p to 4.3p net.

Net property income improved by £60,000 to £349,000 to £399,000 as sales of properties added £282,000 (nil).

The share of profits of associates rose by £44,000 to £285,000 but interest received slipped from £22,000 to £10,000.

The pre-tax profit was struck after writing off £105,000 (£150,000) to provide a more accurate estimate of the realisable market value of the U.S. properties. Last year's figure also included a £6,000 loss on mortgage redemption policies.

Tax absorbed £218,000 (£181,000), leaving a net balance of £512,000 compared with £111,000.

# New Darien optimistic outlook

Net revenue at New Darien Oil Trust emerged virtually unchanged at £7,512, against £7,304 for the six months to July 31 1984, following a substantial rise in loan interest and a troubled tax charge.

Gross revenue rose from £25,501 to £24,106 but interest payable amounted to £16,557, against £12,758, and tax totalled £14,857 compared with £4,539.

The directors say that world-wide demand for oil is rising, for the first time since 1973 and, combined with the seasonal upturn in consumption, this is expected to produce firmer oil markets as the year progresses.

In the major stock markets oil shares are relatively cheap by most criteria and the trust's portfolio is well placed to benefit

from an improving background. In the U.S., natural gas consumption rose during the first half as a result of cold winter weather and, more importantly, increasing industrial activity. This has had a beneficial impact on gas producers although many remain severely curtailed.

In Australia oil shares reacted sharply to disappointing results from appraisal drilling on the Wahluu discovery which was widely expected to prove a major oil field.

Most have since rallied appreciably and an active drilling programme over the rest of the year should provide a focus for investment interest.

The directors add that exports of lower priced gas projects

in the U.S. in line with prevailing market prices augurs well for a more realistic approach to the oil industry. Whichever party wins the forthcoming election, a more favourable climate for the oil and gas industry is expected.

In the past New Darien has avoided any direct involvement in exploration in the U.S., mainly in view of the difficulties of marketing natural gas. However, the market is improving and the economics of exploration in the U.S. are more attractive than for many years, largely as a result of the fall in drilling costs.

The directors are actively considering proposals for direct exploration. Any involvement will be in a modest way and the investment modest in relation to assets.

# Abbey omits dividend as profits dive

An exceptional provision of some £2.7m has left profits of Dublin-based Abbey well down for the year to April 30 1984. The dividend is being omitted—last year shareholders received a total payment of £3.9p.

As the pre-tax profits slumped from £22,833m to £12,120,000. The major portion of the provision arose from a revaluation of certain building lands and work-in-progress at current market values.

There was a further charge of £2.7m above the line following the disposal of the group's investment in manufacturing. The figure was included in extraordinary debits which in total accounted for £3.81m (nil), the balance being a deferred tax provision.

Abbey, an industrial holding company, has completed the sale of the Banta and Torr manufacturing companies to a consortium which included existing management. Patrick Kelly has ceased to be a director and has been appointed to the Ford and Gauge Company of Ireland.

Overall, the directors look to the future with "cautious optimism." They say the UK is trading satisfactorily and will be the main source of profit in the short term.

Turnover for the past year advanced to £78.6m (£82.95m) but trading profits fell by £2.2m to £3.26m. Interest charges rose to £3.18m (£2.89m).

# Rule reminder for Brooke Bond

BY RAY MAUGHAN

AN ATTEMPT by Brooke Bond to raise a profits forecast out of Tate and Lyle, now that the sugar refiner's £234m bid has been extended without revision for three weeks failed yesterday when the Takeover Panel reminded the defence that the there is no obligation on an offeror company to produce such a forecast.

Citing Rule 15 of the Code, Brooke Bond said that "shareholders must be put in possession of all the facts necessary for the formation of an informed judgment as to the merits or demerits of an offer."

Sir John Cuckney, Brooke Bond's chairman, added that "I cannot believe that with only four weeks to go to the end of its current financial year, it should be that difficult for Tate and Lyle to make a profit forecast."

For the bidder, Mr James Kerr Muir, Tate's finance director, said that "I think the other side is trying to cloud the issue by casting aspersions on our profitability."

"If we had wished to make a profit forecast when we extended

# Gibbs Mew delays annual results again

Gibbs Mew, a Salisbury-based brewer which trades its shares on the USM, has again delayed publication of its results for the year ended March 31 1984, because further delays on the accounts of its Robert Porter bottling subsidiary.

In July, Gibbs reduced its forecast of pre-tax profits for the year to at least £200,000, 50p to 300p to match the price paid by Weir for the takeover. The profits would exceed the previous year's £379,000. The reduction was due to a material deficit at Robert Porter.

Accounts are now due to be published by the end of September.

# Alexanders £348,000 in the red

MIDWAY LOSSES deepened at Alexanders Holdings for the six months to the end of March 1984 following the attempted cessation of dealer incentives by the Ford Motor Company. Pre-tax losses increased sharply from £1,000 to £348,000, but Mr Bertie Loudon, chairman, says that his Glasgow-based Ford main dealer is now trading profitably.

Mr Loudon says the six months under review coincided with Ford's attempt to lead the market back into orderly trading by the cessation of dealer incentives. Unfortunately other manufacturers did not follow, with the result that the group

suffered severely.

From March onwards Mr Loudon points out that Ford has returned to dealer incentives which has allowed the group to become competitive once again. He says the directors are optimistic that the second half of the financial year will prove profitable.

In the last full year pre-tax losses came to £214,000 (profits £154,000), and were the result of a loss forecast in the Scottish division of Alexanders Contract Rental, as well as a loss from Alexanders of Edinburgh. The directors said they expected a substantial improve-

ment in the Edinburgh results for 1984.

In his interim statement Mr Loudon says that while the rationalisation of the Edinburgh dealership has continued and it is beginning to show a significant improvement, first half results show an increase in losses when compared with the same period in the previous year.

Turnover came to £25.7m (£25.9m).

There was again no charge for tax, and extraordinary charges were held at £7,000. Attributable losses grew from £98,000 to £365,000. Losses per share were shown as rising from 0.5p to 1.1p.

# DRG (New Zealand) midway lift

IN THE first half of 1984, DRG (New Zealand), a 75 per cent owned subsidiary of the UK packaging and stationery group, has increased its pre-tax profit from £250,000 to £281,000 (£234,000) at current exchange rates. This in part is due to a \$1.5m lift in sales to \$17.3m, but more particularly to improvements in productivity arising from internal measures.

The effects of the change of government and of devaluation are difficult to quantify, so the outlook for the remainder of the year must be uncertain, says the chairman Sir John Marshall. However, with many benefits of the new rate and investment still flowing through pro-

# Premier adopts unorthodox approach in bid defence

BY DOMINIC LAWSON

Premier Consolidated Oilfields plans mass meeting of its shareholders to discuss the takeover attempt to fend off an all share £100m bid from fellow oil company Carless, Capel & Leonard.

On Thursday the Takeover Panel prevented Premier from launching a scheduled meeting with a group of institutional investors, as it infringed the takeover code rule which forbids information being given out to some shareholders, rather than to all of them simultaneously.

Mr Roland Shaw, the chairman of Premier, said yesterday that rather than "viciously" by the Takeover Panel "he would invite all his shareholders to a meeting. He added that if it seemed that all 20,600 would

# James Fisher buys Liverpool ship owner

James Fisher has acquired from Booker McConnell its wholly-owned subsidiary, Coe Metcalf Shipping, for £3.5m of which £3.5m has been paid in cash.

The remaining £1m has been satisfied by the issue of 1m new ordinary in Fisher.

Coe Metcalf is a shipping company based in Liverpool and owning 13 vessels, 10 of which are engaged in the coastal and short sea general cargo and tanker trades. It also owns and operates three specialist vessels involved in geophysical surveys and will continue to operate from its present Liverpool base as an independent unit with the James Fisher Group.

The 1m new ordinary in James Fisher issued as part consideration have been sold.

# Take-over bids and deals

Post holiday activity in the bids and deals sector was a low ebb. Weir Group, the Glasgow-based engineering company, bought a 25.2 per cent stake in Yarrow, the maritime designer and electronic controls systems manufacturer from shipbuilders Vosper for £3m. The latter initially intend to use the money to reduce short-term borrowings. Yarrow's share price jumped 50p to 300p to match the price paid by Weir for the takeover. Weir already held a 3 per cent stake in Yarrow and the deal boosts its holding to 28.2 per cent. Weir described the deal as "a strategic investment in a first-class Scottish company with good prospects."

Installation of a privately-owned Dutch construction group, acquired a 29.9 per cent stake in Epicure Holdings, the construction services, hotels and property group, from the latter's chairman, Mr J. van der Vlist, who retains a 22.1 per cent holding in Epicure. The Dutch group stated that it does not intend to acquire further shares in Epicure—further purchases would result in a full-scale takeover bid under the City Code—but it will be providing Epicure with additional finance to allow it to carry out projects in the UK.

Company bid for	Value of bid per share**	Market price***	Value of bid before offer****	Price of bid before offer****	Em's**	Bidder
Henlys	127	121	127	121	17.78	Alidense
Hinton (Amos)	421.53	397	353.11	18.52	Argyll Group	
IICL	94	87	61	42.2	Stid Tel & Cables	
Lincroft Kilgour	121.63	116	106	4.26	Finlan (J.)	
Land Park Hotels	340	338	335	12.95	Rushlake Hotels	
London Pavilion	223	220	184	2.94	Kennedy Brookes	
Lead Prodrantal	51	244	232	51	Kleinwort & Sons	
Munford & White	183	170	130	3.98	Tunstall	
Factrol	255	245	180	4.00	IMI	
Pres Con Oilfields	651	58	58	62.59	Carless Capel & Leonard	
Priest Marriams	450**	490	575	0.37	Mr Simon Fussell	
Romtal Tea	750**	500	500	1.45	Williamson	

\* All cash offer. \*\* Cash alternative. † Partial bid. ‡ For capital not already held. † Unconditional. \*\* Based on 30/9/1984. †† At suspension. ‡‡ Shares and cash. †† Related to NAV to be determined.

**Rights Issues**

Astra Industrial—To raise £1.23m through a two for five rights issue of 17.3m ordinary shares at 5p.

Company bid for	Value of bid per share**	Market price***	Value of bid before offer****	Price of bid before offer****	Em's**	Bidder
Ang Int'l Inv Assct	15	68	11	11	—	Dominion Intl
Ang Int'l Inv Div	103.75	97	498	57	—	Dominion Intl
Brooks Busd	103.75	110	71	320.77	—	Tate & Lyle
Chubb	244.83	266	197	148.15	—	Royal
Glossop	70	69	69	4.95	—	Colcal
Grindlays	275	273	156	151.95	—	ANZ
Grippeods	450	435	206	11.25	—	British Land
Hadland	146	149	140	4.63	—	Xenotron

Company	Year	Pre-tax profit		Earnings*		Dividends*	
		(£000)	(p)	(p)	(p)	(p)	(p)
Accord Dairies	Apr	104,610	(77,610)	8.9	(6.9)	1.75	(2.31)
Asra Int	Apr	1,460L	(210)	—	—	—	—
Beales, John	May†	509	(461)	14.6	(11.0)	3.65	(3.0)
Bealman	Apr	503	(401)	4.8	(5.0)	5.6	(5.6)
Bonbraries Hldgs	Mar	315L	(111)L	—	—	—	—
First Holdings	June	22,080	(9,250)	18.6	(13.2)	5.0	(2.35)
Ion & Man Sea	Dec††	376	(220)	0.2	(1.5)	—	—
Moorgate Hldgs	Mar	300	(51)	2.2	(2.3)	1.3	(1.1)
Moran Tea Hldgs	Dec	764	(534)L	—	(0.0)	0.0	(1.0)
Nova Jersey	Mar	444	(428)	8.7	(12.4)	1.5	(4.0)
Parliffe Sales Org	June	307	(223)††	—	—	—	—
Reliance Ind Hldgs	Apr	89	(59)	—	(—)	0.94	(1.75)
Russell, Alex	June	2,028	(1,220)	7.5	(7.3)	1.1	(0.53)
Samsel	Feb	308L	(45)L	—	—	—	—
Stewart Plastics	Apr	3,510	(2,560)	6.9	(6.0)	2.43	(2.02)
Stewart & White	Mar	51	(35)	62.0	(32.3)	13.0	(13.0)
Whitworth Elect	Mar	354	(483)	—	(—)	1.51	(1.51)
Wnlv Stm Land	Mar	60L	(28)L	—	(—)	—	(—)

# INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit	Interim dividends*
ABEX	June	11,600	(10,300)
Beaumont Int'l	June	16,020	(14,400)
Beaufort Concrete	June	503	(1,130)
Brammer	June	4,740	(2,980)
Cattle Hldgs	June	835	(822)
Charterhouse Pet	June	13,540	(4,810)
Dewhurst, L.J.	July	1,330	(1,690)

**Offers for sale, placings and introductions**

Edinburgh Investment Trust—To raise £38.3m through an issue of 11 per cent debenture stock 2014 at 296.67 per £100 of stock.

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Wall Street welcomes the 'de-Geneening' of ITT



Rand Araskog (left) who took charge of ITT five years ago, and Harold Geneen, the man he succeeded.

TO ALL but the most avid supporters of industrial conglomerates, Continental Baking Co. looked at least on the surface like a candidate for divestiture almost from the day in 1968 that Harold Geneen paid \$279m in stock to add it to ITT's then rapidly expanding empire.

noted that the original Geneen philosophy behind the acquisition, that "ITT with all its other activities must always stay close to the consumer," was still basically valid.

Hutchison Whampoa profits soar

BY DAVID DODWELL IN HONG KONG HUTCHISON WHAMPOA, the HONG KONG-based trading group controlled by Mr. Li Ka-shing, has registered unaudited net profits for the half year to June 30 of HK\$808m (U.S.\$173.3m)—a 40 per cent improvement on HK\$544.4m.

Gist-Brocades 51% ahead at halfway stage

BY OUR FINANCIAL STAFF GIST-BROCADES, the Dutch biochemical and pharmaceuticals group, has extended its recent run of earnings advances by posting a 51 per cent rise in 1983 first-half profits from Fl 20.4m to Fl 30.8m (\$9.5m).

Lilco receives approval for emergency finance

BY DAVID BLACKWELL IN NEW YORK THE NEW YORK Public Service Commission has approved an agreement that will provide the Long Island Lighting Company, the major New York state utility, with emergency financing of \$150m, enabling it to pay \$90m in bonds maturing today.

Banks buy Marinduque nickel plant

BY OUR FINANCIAL STAFF A NICKEL refinery belonging to Marinduque Mining and Industrial Corporation, the financially troubled Philippines mining group, was sold at a public auction yesterday for pesos 14,800 (\$820m) to the two government-owned banks which are the company's principal creditors and also exercise equity control.

Consortium outlines plan for Creusot-Loire rescue

BY PAUL BETTS IN PARIS THE COMPLEX rescue of Creusot-Loire, the concrete shape yesterday with the profit-sharing letter of intent by the industrial and banking consortium which has been formed to take over the core businesses of the bankrupt French heavy engineering group.

Earnings rise 125% at Highlands and Lowlands

BY WONG SULONG IN KUALA LUMPUR PRE-TAX profit at Highlands and Lowlands, Malaysia's fifth largest plantation group, rose by 125 per cent to 407m ringgit (US\$17.9m) for the six months to end-June on the strength of firm commodity prices.

Flogas progresses to I£1.2m

A rise in taxable profit has been achieved by Flogas, the Irish company which came to the USM in November last year, in the full financial period in May 31 1984. The result for the year was I£1.2m against I£1.06m.

ECONOMIC DIARY table with columns for Day, Event, and Details.

Granville & Co. Limited table with columns for Company, Price, Change, Gross Yield, P/E, and Fully Paid.

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LADBROKE INDEX table with columns for Index, Price, and Yield.

The Independent Investment Company advertisement with logo and contact information.

IVORY & SIME PUBLIC LIMITED COMPANY advertisement with logo and contact information.

Handwritten note: 150 100 150

NEW YORK

Table of New York stock market data including various stock prices, indices, and market activity.

WALL STREET

Reacting to long holiday weekend

Stock prices edged slightly higher around noon in slow, uneven, post-holiday trading. The Toronto Composite Index rose 2.2 to 3,282.2 and Oil and Gas 4.1 to 3,295.0, but Metals and Minerals lost 1.8 to 3,012.9 and Gold eased 1.6 to 3,509.6.

CANADA

Stock prices edged slightly higher around noon in slow, uneven, post-holiday trading. The Toronto Composite Index rose 2.2 to 3,282.2 and Oil and Gas 4.1 to 3,295.0, but Metals and Minerals lost 1.8 to 3,012.9 and Gold eased 1.6 to 3,509.6.

TOKYO

Marginally lower in thin and lifeless trading—the first fall in nine sessions. The Nikkei Dow Jones Market Average eased 2.07 to 10,584.20.

GERMANY

Mixed to higher. After a firm start, markets leaped into month-end rallies with investors apparently concentrating on balanced positions.

AUSTRIA

Market prices for North America were not available for this edition.

GERMANY

Mixed to higher. After a firm start, markets leaped into month-end rallies with investors apparently concentrating on balanced positions.

NORWAY

Market prices for North America were not available for this edition.

SPAIN

Market prices for North America were not available for this edition.

SWEDEN

Market prices for North America were not available for this edition.

ITALY

Market prices for North America were not available for this edition.

FRANCE

Market prices for North America were not available for this edition.

NETHERLANDS

Market prices for North America were not available for this edition.

AUSTRALIA

Market prices for North America were not available for this edition.

JAPAN

Market prices for North America were not available for this edition.

SINGAPORE

Market prices for North America were not available for this edition.

SOUTH AFRICA

Market prices for North America were not available for this edition.

Mostly firm until rumors that Broken Hill Proprietary's latest offshore oil exploration well in the Timor Sea turned out to be a dry hole.

They said other factors keeping Australian stocks lackluster were the lack of interest due to light trading in New York ahead of the Labor Day holiday weekend, mixed metal prices in London and after International Bullion prices.

Interest centered on stocks involved in the Jabiru Four well, in the Timor Sea. BHP, the operator, shed 10 cents to SA10.45, Bell Resources 30 cents to SA4.10, Ampol Exploration 15 cents to SA3.00 and Wicks Australia 9 cents to 59 cents.

Among other Diversified Resource issues, BHP contributing shares added 10 cents to AS6.50.

Bankers were mixed while Chemicals and Insurance weakened. Developers, Contractors, Merchants and Agents posted gains.

G. J. Coles firm 3 cents to AS4.97 per cent increase in profit for the year to July 31.

AMSTERDAM Narrowly mixed in slow trading. Insurers were mainly higher, with Agrop up 1 to 116.5 following its better first half year results plus a higher interim dividend.

Amex gained FI 0.8 at 162.8 also on improved first half figures.

Vax Ommeren shed FI 0.6 to 24.90 despite slightly improved half-year results.

Gastbroeders closed FI 3.20 up at 161.70 after sharply higher first half profits. Packed dipped FI 2.5 to 57.2 on its disappointing first half results.

HONG KONG Below the heat on late profit-taking, ahead of the weekend. The Hang Seng Index ended 4.01 at 226.78, after being 10.1 higher.

After the close, Hutchison Whampoa, up 10 cents to HK\$11.1, reported a better first half than expected with profit of HK\$104.5 million (HK\$43.4 million).

Cheung Kong, unchanged at HK\$7.50, is due to report its interim results next Monday.

Market prices for North America were not available for this edition.

Market prices for North America were not available for this edition.

NEW YORK

Table of New York stock market data including various stock prices, indices, and market activity.

Table of international stock market data including various stock prices, indices, and market activity.



MARKET REPORT

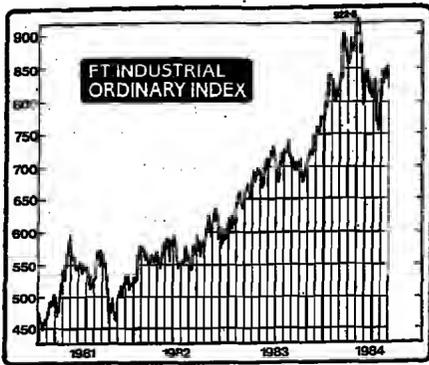
RECENT ISSUES

Equity leaders again ignore dock and mine troubles
Index extends rise to 21.3 over three-day period

Account Dealing Dates

First Declared Last Account Dealings
Aug 13 Aug 31 Sept 10 Sept 17 Sept 27 Sept 28 Oct 8

where, Charterhouse J. Rothschild stood out with a gain of 8 to 8 1/2p.



at 503p, continued to move higher awaiting the interim figures, expected soon.

London equity markets continued to show remarkable resilience yesterday to the troubles in both the docks and the mines.

Extract Wool, soon to be re-named Scanro, which makes windproof boards staged a highly successful debut in the Unlisted Securities Market.

the recent restructuring proposals, gained 5 afloat to 548p. Several features emerged among secondary issues.

Resources put on 6 to 8 1/2p and Tuskar Resources added 3 to a 1994 peak of 43p.

Banks mixed
Clearing banks plotted an irregular course in their trading.

BHS up again
Leading Stores ended the Account Party as buyers, buoyed by reports of a new strategy.

Polly Peck good
Leading miscellaneous industrial stock the session with a slightly firmer bias.

LASMO advance
An otherwise quiet and featureless trading in the oil sector was enlivened after hours.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns for Equity Groups & Sub-sections, Fri Aug 31 1984, and Highs and Lows Index. Includes sub-sections like CAPITAL GROUPS, Insurance, etc.

FIXED INTEREST

Table showing Average Gross Redemption Yields for various terms (1, 2, 3, 5, 10 years) and prices for British Government and other securities.

Table showing Equity sections or group, Base date, Base value, and Equity sections or group, Base date, Base value.

Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Grackon House, Cannon Street, London, EC4, price 15p, by post 20p.

FINANCIAL TIMES STOCK INDICES

Table showing stock indices for Government, Fixed Interest, Industrial, Gold Mines, etc., with columns for Aug 31, Aug 30, Aug 29, Aug 28, Aug 27, Aug 26, and Year 86.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows for Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines, along with S.E. Activity.

MONTHLY AVERAGES OF STOCK INDICES

Table showing monthly averages for Financial Times, Government Securities, Fixed Interest, Industrial, and Gold Mines for August, July, June, and May.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30, 1983, for various sectors like Insurance, Chemicals, etc.

OPTIONS

Table showing first, last, and settlement dates for Bryson, Polly Peck, C. H. Mailley, etc.

EQUITIES

Table showing new highs and lows for 1984, listing various companies like AMERICANS, CANADIANS, etc.

RISES AND FALLS

Table showing rises and falls for various categories like British Funds, Corporate, Domestic, and Foreign Bonds.

ACTIVE STOCKS

Table showing active stocks with columns for Stock, Closing price, and Change.

THURSDAY'S ACTIVE STOCKS

Table showing Thursday's active stocks based on bargains recorded in the SE Official List.

5-DAY ACTIVE STOCKS

Table showing 5-day active stocks based on bargains over the four-day period ending Thursday.

Renunciation data usually last day for dealing free of stamp duty. Figures based on prospectus estimates.

19 STOCK EXCHANGE DEALINGS

FOREIGN GOVERNMENTS
A-B
Austrian Govt 10/10/1989 (100)
Austrian Govt 11/10/1989 (200)

Details of business done shown below have been taken with consent from
the Stock Exchange Official List and should not be reproduced
without permission.

they are not in order of execution but in ascending order which denotes the
day's highest and lowest dealing prices.

Mid East Minerals 25 1/2
Mid East Minerals 25 1/2
Mid East Minerals 25 1/2

CORPORATION AND COUNTY
Greater London Council 10/10/1989
Greater London Council 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989
Commercial Union 12/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

UK PUBLIC BONDS
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

CORPORATION STOCKS - FOREIGN
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

STERLING ISSUES BY
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

BANKS, DISCOUNT
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

BREWERS
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

UNIT TRUSTS
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

MINES - MISCELLANEOUS
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

MINES - SOUTH AFRICAN
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

FINANCIAL TRUSTS
Austrian Govt 10/10/1989
Austrian Govt 11/10/1989

General Electric 10/10/1989
General Electric 11/10/1989
General Electric 12/10/1989

INSURANCE
Commercial Union 10/10/1989
Commercial Union 11/10/1989

PLANTATIONS
Anglo-Indochina Plantations 10/10/1989
Anglo-Indochina Plantations 11/10/1989

INTERNATIONAL APPOINTMENTS
RCA/Columbia video chief

Mr W. Patrick Campbell has been named president of RCA/COLUMBIA PICTURES INTERNATIONAL VIDEO. He comes to the chief executive post at the joint venture, which distributes home video programmes throughout the world other than the U.S. and Canada, after six years with Norelco, consumer products division of North American Philips Corp. where he was vice president and general manager of the appliance division, as well as a member of the office of the president.

THE DIY magazine for the money enthusiast

For the last 125 years the INVESTORS CHRONICLE has been the trusted counsellor for the money enthusiast.
Then the INVESTORS CHRONICLE is the magazine for you.
No other magazine can rival the depth and scale of our financial intelligence. Our team of specialist analysts and journalists give investors all they need. An invaluable weekly company reports assessing performance and potential of UK companies. Positive buy/sell share recommendations. A wealth of performance statistics. A low-down on international markets. The news behind the investment scene. AND personal finance every week.

LONDON TRADED OPTIONS

Table with columns: Option, Calls, Puts, Nov, Dec, Jan, Feb, Mar, Apr, May. Includes rows for various options like A.P., Corn Gold, Courtauld, Com. Union, O.E.C., Grand Met, Land Sec, Mears & Co., Shell Trans, BAT Inds, Imperiol, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Nov, Dec, Jan, Feb, Mar, Apr, May, Stock. Includes rows for GOLD, SILVER, S.P.L., AMRO, etc.

FINANCIAL TRUSTS

Table with columns: Option, Nov, Dec, Jan, Feb, Mar, Apr, May. Includes rows for various financial trusts like Beecham, Bate, Da Beerz, Guest Keen, Hamon, Jaguar, Tesco, etc.

RULE 163 (2)

Applications granted for specific bargains in securities listed on any exchange.

RULE 163 (4)

Bargains marked in securities for the UK and Republic of Ireland. The quotation has not been granted in London and dealings are not recorded in the Official List.

RULE 163 (3)

Applications granted for specific bargains in securities listed on any exchange.

RULE 163 (1)

Applications granted for specific bargains in securities listed on any exchange.

RULE 163 (5)

Applications granted for specific bargains in securities listed on any exchange.

RULE 163 (6)

Applications granted for specific bargains in securities listed on any exchange.

RULE 163 (7)

Applications granted for specific bargains in securities listed on any exchange.

RULE 163 (8)

Applications granted for specific bargains in securities listed on any exchange.





prices are on Prestel CitService 24 hours a day. Ring Freephone CitService.

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AMERICANS

Table of American stocks including Abbott Labs, Alcoa, Amstar, etc.

BEERS, WINES—Cont.

Table of beer and wine stocks including Anheuser-Busch, Heineken, etc.

DRAPERY & STORES—Cont.

Table of drapery and store stocks including J. W. Childs, etc.

ENGINEERING—Continued

Table of engineering stocks including Balfour Beatty, etc.

INDUSTRIALS (Misc.)

Table of industrial stocks including ABB, etc.

BRITISH FUNDS

Table of British funds including various investment vehicles.

Building Industry, Timber and Roads

Table of building, timber, and road stocks including Biffaward, etc.

ELECTRICALS

Table of electrical stocks including AEG, etc.

CANADIANS

Table of Canadian stocks including Alcan, etc.

BANKS, HP & LEASING

Table of bank, HP, and leasing stocks including Bank of Montreal, etc.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks including ICI, etc.

FOOD, GROCERIES, ETC

Table of food and grocery stocks including Unilever, etc.

DRAPERY AND STORES

Table of drapery and store stocks including J. W. Childs, etc.

ENGINEERING

Table of engineering stocks including Balfour Beatty, etc.

HOTELS AND CATERERS

Table of hotel and caterer stocks including Hilton, etc.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks including Anheuser-Busch, etc.

FINANCIAL

Table of financial stocks including various investment vehicles.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail stocks including various international investments.

Five to Fifteen Years

Table of five to fifteen year investments.

Over Fifteen Years

Table of over fifteen year investments.

Undated

Table of undated investments.

Index-Linked

Table of index-linked investments.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS

Table of various loans.

Building Societies

Table of building societies.

Hire Purchase, Leasing, etc.

Table of hire purchase, leasing, etc.

Public Board and Ind.

Table of public board and industrial investments.

Financial

Table of financial investments.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks including Anheuser-Busch, etc.

FINANCIAL

Table of financial investments.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail stocks including various international investments.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks including Anheuser-Busch, etc.

FINANCIAL

Table of financial investments.

FOREIGN BONDS & RAILS

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FOREIGN BONDS & RAILS

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Table of beer, wine, and spirit stocks including Anheuser-Busch, etc.

FINANCIAL

Table of financial investments.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail stocks including various international investments.

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MINES - Continued

Central African

Australians

Notes

Regional & Irish Stocks

Options - 3-month call rates

Finance

Oil and Gas

Diamond and Platinum

Recent Issues and Rights Page 18

This service is available to every company that is on the Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

Notes

Plantations

Overseas Traders

South Africans

Shoes and Leather

Shipping

Garages and Distributors

Commercial Vehicles

Components

Motors, Aircraft Trades

Motors and Cycles

News, Publishers

Paper, Printing Advertising

Property

Trusts, Finance, Land

Investment Trusts

Finance, Land, etc

Finance, Land, etc

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Finance, Land, etc

Main financial data table with columns for Stock, Price, High, Low, and various market indicators. Includes sections for Stocks, Shares, and various market indices.

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MAN IN THE NEWS

Hopkinson abandons tradition of genteel whispers

By John Moore MR DAVID HOPKINSON, the 58-year-old chairman of M & G Investment Management...



Mr David Hopkinson

insistencies forced changes in the City too quickly.

City tradition is that those who wish to advance arguments or plead causes usually exploit the relationships and connections formed in a club-like environment.

"Quiet words," said Mr Hopkinson, "were getting nowhere." He explains his more robust approach: "M & G is independent and can look after itself."

M & G rivals were surprised at the tactics employed. Some suggested that Mr Hopkinson perhaps should have raised some of the points with his firm's stockbrokers rather than with the market as an entity.

But there is general acceptance that many of his concerns are important and should be taken seriously.

Mr Hopkinson studied at Merton College, Oxford, where his studies were interrupted by naval duty. He then worked as a clerk at the House of Commons for 12 years, serving as private secretary to a deputy speaker.

He says he learned about investment during late night sittings at the Commons.

He then went to Robert Fleming and from there to M & G, the unit trust group. The funds under management since he has been there have been built up from £30 to £2.5bn.

He is also chairman of the Southern Region of British Rail, a director of English China Clay and Gill & Duffus, and a church commissioner.

Recently he has been one of 10 City people advising the Governor of the Bank of England on the regulatory framework which will be needed for the City in a restructured community.

That group has just completed its work and Hopkinson is circumspect about the experience. "Perhaps it was too high-powered a group."

He fears that in the City heavy new structures could lead to conflicts of interest and troubles for the future. He thinks that the Stock Exchange's regulatory systems are satisfactory but worries that the integration of types of financial activity into various groupings will lead to lack of control.

"There has to be a regulatory body of some kind for the City, with the powers to send for papers and persons and disciplinary powers." He says Parliament cannot do this preferred solution is an authoritative free-standing commission for the City.

"The takeover panel was a great success because a community of interest existed among those whose affairs it looked after but in a restructured market there is likely to be no community of interest between the practitioners, which is why you need another body other than the present Council for the Securities Industry. That is formed of people representing vested interests. You need professionals."

He thinks that a British version of the Securities and Exchange Commission is necessary. "It need not be the same as the U.S. operation. Britain is very good at forming small and practical organisations."

Canada angry at U.S. plan to curb imports of steel

BY BERNARD SIMON IN TORONTO

CANADA'S GOVERNMENT has threatened to retaliate against U.S. exports if the Reagan Administration refuses to exempt Canadian producers from the import quotas on steel proposed by the U.S. International Trade Commission.

In a letter to President Reagan, Mr John Turner, the Canadian Prime Minister, described the threat of restrictions on Canadian steel and copper exports as the most acute issue on the bilateral agenda.

Mr Turner said: "The costs to both economies of protectionist measures could be unacceptably high."

Canadian officials refused to say which products were likely to be affected by retaliatory measures.

According to local reports, Mr Francis Fox, the International Trade Minister, gave U.S. officials a "hit list" during a visit to Washington earlier this week.

Canada is the largest foreign market for U.S. steel producers. Retaliation, however, is seen as unlikely. The sudden wave of publicity being given to the issue in Canada appears to be related to the ruling Liberal Party's efforts to win support in next Tuesday's general election from voters in southern Ontario, the centre of Canada's steel industry.

Three Liberal candidates from the area accompanied Mr Fox to Washington.

Canada's steel exports to the U.S. total about C\$1.3bn (£760m) a year, and the steel industry argues that U.S. import quotas will affect more than two-thirds of the trade.

Canada is hoping to persuade the U.S. that its exporters have behaved responsibly in the U.S. market and should not be penalised by blanket import restrictions.

The Canadians would prefer Washington to impose specific anti-dumping or countervailing duties.

Ironically, steel is one of four product categories included in exploratory talks earlier this year on sectoral free trade agreements between the U.S. and Canada.

The man who sold a £250m holding

By David Dodwell in Hong Kong

AN INSIGHT into the facts of the financial life of Sir Yue-Kong Pao, who controls from his Hong Kong home what is reputed to be the largest independent shipping company in the world, throws up some startling figures.

His latest dividend payment from one company in which he has invested was almost £7.5m. The cash sale of his holding in another brought him a cheque for £250m.

This previously undisclosed picture of Sir YK, 65-year-old son of a Shanhaiese banker, emerges from a document released yesterday outlining plans to live off the shipping interests of his family-controlled World International Holdings.

The reorganisation is necessary, Sir YK says, because the share price of World has for some time largely reflected the company's 44.5 per cent holding in Hongkong and Kowloon Wharf & Godown, the property group.

Sir YK insists that his shipping activities have performed well "in difficult circumstances," and complains that investors "fail to recognise" the contribution they make to the group as a whole.

The document shows that he controls a fleet of 118 vessels with a total tonnage of 12.7m dwt, through his privately-controlled world-wide shipping group. Just 39 per cent of this is held in publicly-quoted World International through Eastern Asia.

Sir YK predicts in the reorganisation document that in the year to next March 31, Eastern Asia will earn net profit of HK\$ 450m (£43m). He says that World shareholders will get dividends of not less than 6 Hong Kong cents a share for the year.

The reorganisation is subject to approval of shareholders accounting for three-quarters of World International's shares.

Since Sir YK and his wife and family companies control over 820m shares in the company, about 68.5 per cent of the issued share capital, the outcome is scarcely in doubt.

As part of the reorganisation, he and his family plan to convert the 457m deferred shares they own in World into ordinary shares.

This will give him 1.285m shares in the company, about 77 per cent of its total. At the same time World shareholders will be issued with one new share in Eastern Asia for every World share they already own.

This will give Sir YK and his family another 1.285m shares.

At the close of trading on the Hong Kong stock exchange yesterday, World International shares had risen 3 cents on the day to HK\$2 each, which makes his present holding worth HK\$2.57bn.

The market's view of the value of World's shares after the reorganisation is as yet uncertain, as is the likely price of Eastern Asia shares.

Taking Sir YK's assumption that the value of one share plus one share will equal more than two, his shareholdings by the end of the year will possibly be worth more than HK\$3bn (£290m).

THE LEX COLUMN

The market touts for takeovers

Index rose 1.2 to 853.7

Equities have spent the week shrugging off the news from one strike front or another almost as if there were some encouragement to be gleaned from the battlefield—as indeed there has been, from some dock-sides.

Even the optimists found yesterday's developments in Brighton less than inspiring, but there was still plenty of support to be wrung out of yet more bid rumours.

Chartists remain gloomy almost to a man, their tram-lines take weeks to register the splash from half a dozen good bid prospects.

All the same, the influence of the charts has been growing apace this summer in all the world's financial markets, not least because so many of the fundamental arguments—about profitability and economic growth—have run out of steam.

If Mr Scargill were to pull off more than a tactical victory next week, he could still bring the fundamentals back with a vengeance, vindicating the chartists into the bargain.

Takeover try-ons

If it achieves nothing else, the present rash of takeovers will have provided stock market spectators with an intriguing and varied display of tactics—likewise keeping the Takeover Panel busy deciding whether to blow the referee's whistle on supposed examples of financial foul play.

Yesterday the Panel was called into action at least three occasions, to deal with manoeuvres that would probably not have been attempted other than in the dying moments of the silly season.

Brooke Bond made a sly attempt to enlist the referee's support, when it accused Tate and Lyle of withholding relevant information—a profit forecast—from Brooke Bond's shareholders.

Though a Brooke Bond shareholder might reasonably want a hint of Tate's profits before taking Tate's paper, just four weeks from the bidder's year-end, there is no obligation

conflicts of interest in the City, made a fitting overture for yesterday's duet from broker James Capel and its new banking parent.

Both sides have stressed that Capel's operations will remain autonomous within the Hongkong and Shanghai Bank group and it seems fair to assume the lengthy incubation of the deal will have allowed Capel's partners to remove all doubts on this score.

The resulting deal looks as promising a basis for future growth as any London broker has achieved in the great reshuffle, and is probably rather better than most.

Along with Hoare Govett, Capel has secured a source of fresh capital without exposing itself to a delicate couple of years ironing out relations with a former jobber, merchant banker or candlestick maker.

And with no shortage of prospective partners to choose from, Capel need not arouse too much scepticism in talking of criteria altogether loftier than base matters of capital or even purchase price.

The Hongkong Bank's spread of businesses should help Capel develop its own international muscle and the broker can reasonably look to the recent progress of the bank's other principal subsidiaries for encouragement.

For the bank itself, the deal is surely something of a coup if the terms are indeed comparable, whatever that may mean, with those seen elsewhere in the City. Capel's presence overseas, and especially in the Far East, is increasingly reinforcing its position as one of the leading UK domestic brokers.

But after the Hongkong Bank's abortive bid for the Royal Bank of Scotland three years ago, the arrival at the centre of the City will presumably strike the bappy parent as the more immediate cause for some discreet celebration.

Capel/HK Bank

Another blast from the M & G trumpet on Thursday, warning again about growing

Hongkong Bank to buy Capel

BY BARRY RILEY, FINANCIAL EDITOR

ANOTHER top London stockbroker has agreed to be bought by an outside financial institution. James Capel, recently voted the City's best investment research house in an independent poll, is to become an autonomous unit of the Hongkong and Shanghai Banking Corporation.

Initially the Hongkong Bank is buying a 29.9 per cent stake, the maximum permitted by Stock Exchange rules. The bank will later raise its interest to 100 per cent, with payment for the deal to be phased over five years.

There are 62 shareholders in Capel, which is an unlimited company. No terms are being disclosed, but the price is said to be in line with those set in comparable deals. Elsewhere, Hoare Govett is being bought by the Californian bank, Security Pacific, on terms which value it at £78m, while Grivesco Grant is being absorbed by London merchant bank Kiewit Benson for a price thought to be near £50m.

In terms of market share of London brokerage business Capel probably ranks only third behind Hoare and Grivesco, but may well be more profitable.

With the announcement of the Capel deal, which has been rumoured for some weeks, seven of the top 10 London stockbroking firms have decided on future outside partners to finance them during the expected revolution in the City's securities market.

Those still unattached are Springeour Kemp-Gee (being unofficially linked with Citicorp), the large U.S. banking group, Cazenove and Phillips and Drew.

Although James Capel is understood to have been talking to a large number of prospective partners since the middle of last year, it only entered serious discussions in May.

Capel's strengths in international business played a key part in its appeal to Hongkong and Shanghai. Its research is highly rated in areas like the Far East, Continental Europe, Australia and South Africa gold mines.

The broking firm, for its part, was determined to retain a separate role, rather than to be absorbed into a merchant bank like a number of other big firms.

Mr Peter Quinnen, a Capel director, said: "The attraction of the deal is that it will allow us to maintain our independence and continue to develop the business along the lines in which we have been developing it over the past few years."

Co-ordinating body urged for City

BY JOHN MOORE, CITY CORRESPONDENT

MR ROBIN LEIGH-PEMBERTON, Governor of the Bank of England, said yesterday that a "co-ordinating body" to regulate the affairs of the City of London was likely to become necessary.

Mr Leigh-Pemberton, speaking on London Weekend Television's The Square Mile programme, said that any co-ordinating body "would be responsible for the level of standards of the whole regulatory system in the City."

His comments come as the Bank of England studies recommendations from a 10-man advisory group on the future regulatory structure of the City. The group, led by Mr Martin Suckling, vice-chairman of Kiewit Benson, the merchant

bank, is understood to have recommended that regulation should be conducted through a limited number of self-regulatory agencies, supervised by an intermediary body which could be accountable to the Department of Trade and Industry.

"I strongly support the concept and the philosophy of self-regulation," Mr Leigh-Pemberton declared in the programme. He stressed that the important thing was finding "a right half-way house, between an over-heavy-handed total statutory-based regime, and a rather easy-going club approach on the other."

He said: "It is probably going to be necessary that the whole self-regulatory function, if that is to emerge, should be drawn into one co-ordinating body so that you don't have a state of affairs in which certain parts of the City are regulated in a different way from one another."

He continued: "Quite what its nature will be, the extent to which it is statutorily composed, may be up for debate but I could certainly agree that some central body is going to have to emerge."

He added that the Bank's philosophy "is alongside what has been at the heart of the City's progress over the years: a liberal regime of regulation, which enables people free to develop their businesses, to the best of their own skills, untrammelled as far as possible by regulation, restriction and legislation."

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Table with columns for RISES and FALLS, listing various commodities and their price changes.

WORLDWIDE WEATHER

Table showing weather conditions for various cities worldwide, including temperature, wind, and cloud cover.

Miners Continued from Page 1

retary of the EMA, said that "once more the general council is putting its hand to a series of proposals that can't be put into practice." Mr Bill Sims, the ITC general secretary, said: "It would be hypocritical not to challenge the agreement at Congress."

Mr Murray said the statement was "something less than the NUM had hoped to get," but that it "established a basis of continuing contact between the NUM and the TUC." He said its "central importance was the emphasis it laid on the need for a resumption of negotiations to end the dispute."

He stressed it did not mean that picket lines could be established "unilaterally" or "automatically" observed. The statement laid down the need to "discuss and agree" support for the unions concerned.

The consensus view among centre and right-wing unions was that support for the agreement left individual unions with the right to limit what support they could offer—though those unions opposed to the statement said they were unwilling to be manoeuvred into a situation where TUC pressure could be brought to bear on them to provide solidarity where none was possible.

David Goodhart writes: Mr Ian MacGregor, National Coal Board chairman, last night took the unusual step of writing an open letter to all TUC delegates spelling out the case why the miners should not be supported.

He spelt out details of miners' pay, job security and redundancy terms, which he suggested might be viewed "with envy" by some delegates.

He claimed there had been intimidation and coercion by pickets. The authority had hoped for a higher turnout after a split vote at a mass meeting on Thursday, when many men disputed the TGWU's claim that a vote had gone two-to-one in favour of continuing the strike.

At Tilbury yesterday, the Port of London Authority said that only 100 men out of a rostered 700 had crossed picket lines in the morning, and 50 in the afternoon. The PLA

BSC Continued from Page 1

has only three weeks' supply left. Mr Joe Padgett, secretary of Aslef's Immingham branch, wants Scunthorpe to be allowed six trainloads of ore a day, enough to enable the plant to produce at about two-thirds of capacity.

At Tilbury yesterday, the Port of London Authority said that only 100 men out of a rostered 700 had crossed picket lines in the morning, and 50 in the afternoon. The PLA

Large advertisement text: "Would you really want to recruit a Finance Director who doesn't read the FT?"

Advertisement for recruitment services, including contact information for Francis Phillips and a note about the FT's recruitment service.

Handwritten note: "10/21/84 1520"